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TOBACCO Situation

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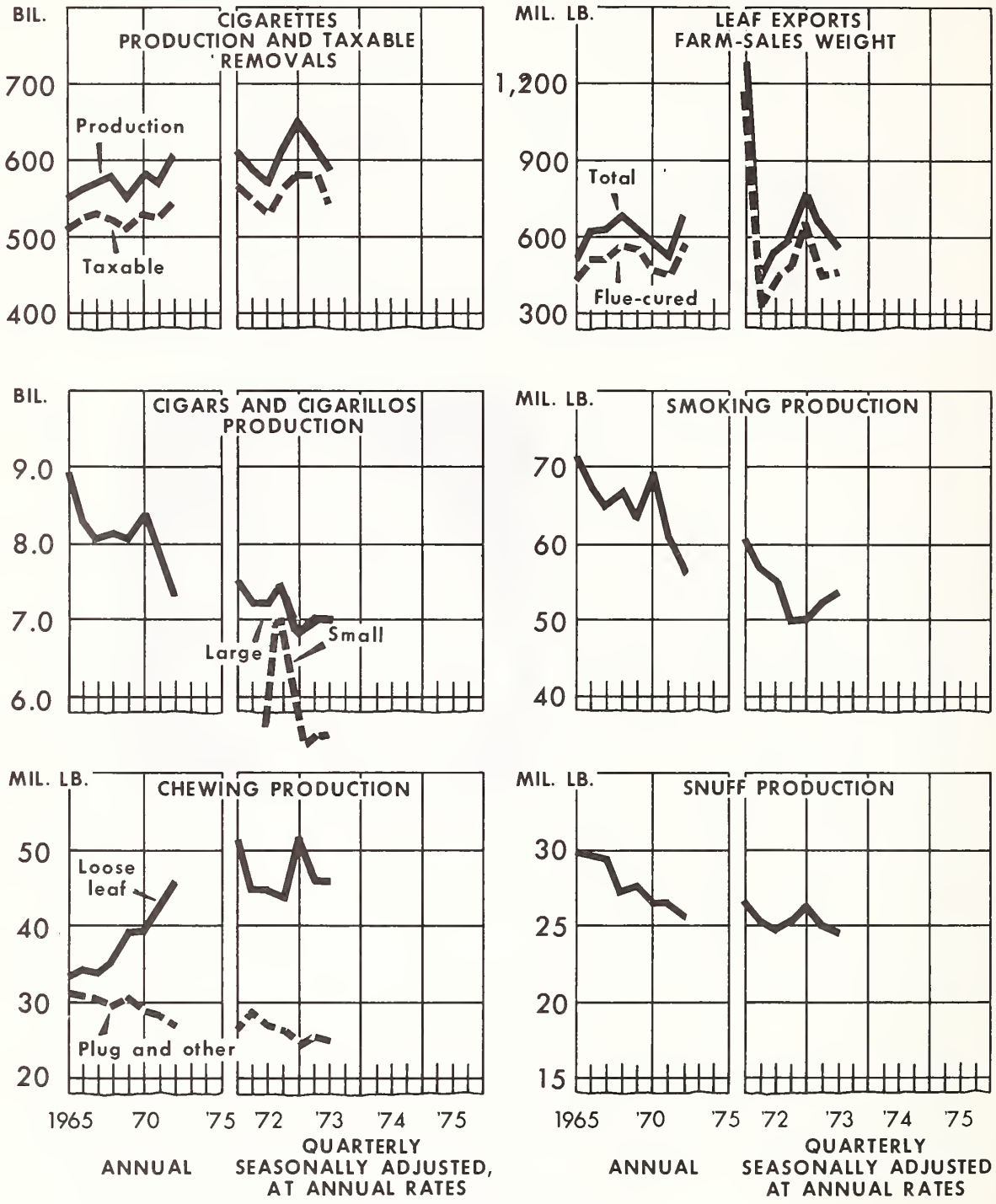
TOBACCO OUTLETS

Trends in Manufactured Products and Exports



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THE TOBACCO SITUATION

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Approved by
The Outlook and Situation Board
and Summary released
September 19, 1973

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The *Tobacco Situation* is published in March, June, September, and December.

SUMMARY

This year's tobacco crop is a little larger, but a smaller carryover is reducing supply for the 1973/74 marketing year by 3½ percent. This drop, the ninth straight annual decline, leaves the supply of 5.1 billion pounds close to desired balance with utilization.

The September 1 estimate is for a crop of about 1.78 billion pounds (U.S., including Puerto Rico), up 1½ percent from 1972. This results from a 5 percent larger acreage and a 3½ percent lower yield forecast. Carryover of tobacco at the start of the 1973/74 marketing year (July 1 for flue-cured and cigar wrapper types; October 1 for all others) is down about 6 percent.

Disappearance in 1973/74 may total near the 1.96 billion pounds of the marketing year now ending. Increasing U.S. cigarette production and persistent demand for high value tobacco in foreign markets help to sustain U.S. flue-cured use. Burley benefits from worldwide growth in output of blended cigarettes. For most other kinds of tobacco, reduced supplies hold down use.

For the year ending next June, U.S. cigarette output is expected to exceed the 619 billion cigarettes produced in fiscal year 1973. Population is increasing and consumer incomes are at record highs. Persons 18 and older will smoke a few more cigarettes in calendar 1973 than last year's 202 packs per capita, raising total U.S. cigarette consumption by 3 percent. By contrast, the outlook for use of large cigars, snuff, and smoking and chewing tobacco is for stable or declining trends to continue.

With lower tobacco supplies worldwide and general price inflation, U.S. leaf exports this fiscal year may stay near last season's 570 million pounds (629 million, farm-sales weight). Because of more favorable foreign exchange rates and production shortfalls in other countries, this year's flue-cured crop has been actively sought, particularly by buyers for West Germany and Japan. The United Kingdom, a major U.S. export destination, increased its takings in 1972/73 but may take less this season, although its trade embargo with Rhodesia continues.

U.S. manufacturers' stocks of imported cigarette types of tobacco on July 1 represented 2½ years' usings. With foreign tobaccos enjoying a price

advantage, U.S. tobacco imports for cigarette production in 1973/74 may rise above last season's 177 million pounds. Imports in 1972/73 had fallen 17 million pounds. U.S. cigar manufacturers last season used about two-thirds foreign-grown tobacco and one-third domestic tobacco in cigars. Despite sagging sales, cigar manufacturers may again increase the share of imported tobacco.

For the 1974 flue-cured tobacco crop the national marketing quota and acreage allotment remain the same as this year. Individual farm quotas and allotments will reflect overmarketings and undermarketings of the current crop. Marketing quotas for burley and other kinds of tobacco will be announced by next February 1. Based on the formula required by law, 1974 price support levels for eligible tobaccos seem likely to increase 8-9 percent over 1973.

The supply of U.S. flue-cured tobacco continues to decline. This leading kind of tobacco for cigarettes and exports is estimated at 2.87 billion pounds, down 2 percent from last year. Although, the 1973 crop is indicated at 1.12 billion pounds, up a tenth, the carryover into the current season was down 8½ percent. Exports during the past marketing year rose 8 percent while domestic use gained fractionally; total use gained 3½ percent. Little change is expected this season. Use should exceed marketings, so the carryover next July 1 is expected to decline.

With one of the earliest harvesting seasons on record, farmers marketed about one-half of the 1973 flue-cured crop by September 18. Gross sales were one-tenth below the same period of 1972. Prices were at record levels, averaging 1 percent above a year earlier. Farmers placed only slightly more marketings under government loan than the negligible volume in the comparable period of 1972. Low loan placements plus heavy sales from loan stocks have reduced uncommitted stocks to the lowest level in 2 decades.

The supply of U.S. burley tobacco may total about 4½ percent below a year earlier and 14 percent below the 1964/65 record. Currently, supply represents about 3 years' use. The crop is one-seventh smaller than last year. Acreage is down slightly and yield prospects are poor. Carryover from 1972/73 remains close to year-earlier levels. Disappearance probably rose 5 percent during the 1972/73 crop year (October-September).

Combinations of reduced carryover and generally larger 1973 production will stabilize 1973/74 supplies of Maryland, fire-cured, and cigar wrapper. Dark air-cured, cigar filler and cigar binder supplies are lower.

TOBACCO PRODUCTS

Cigarette Use Continues Upward

U.S. cigarette smoking in calendar 1973 likely will rise 3 percent over 1972. Retail price increases have slowed, more people are of smoking age, and the antismoking campaign remains at a moderate pace. Per capita use is edging upward from last year's level. These conditions are expected to continue in 1974, so cigarette consumption may rise again. For 1973, output may gain about 4 percent from last year since cigarette exports are rising faster than domestic sales (table 1). Next year's output should gain further.

Consumption totaled 297 billion cigarettes in the first half of 1973, about 4 percent above a year earlier. Consumer disposable incomes rose and spending surged ahead. In the second half of 1973, cigarette consumption is expected to exceed the 279 billion of a year earlier. Last year the stepped up sales of small cigars probably held down cigarette consumption when per capita consumption steadied following some increase in 1971. Consumption per person (18 years and older) this year is estimated about 1 percent above 1972 when 4,043 cigarettes (202 packs) were used (table 2).

In the first 7 months of 1973, cigarette exports increased 21 percent. The rapid growth in exports is due to a simultaneous economic growth in importing countries and our enhanced competitive position due to currency realignments since 1971.

Cigarette exports from the United States to leading destinations, 1972-73

Country	July 1972-June 1973[1]	January-July	
		1972	1973[1]
	Billions	*Billions*	*Billions*
Hong Kong	4.4	2.5	2.7
Spain	3.2	1.3	1.6
Kuwait	1.7	.8	1.0
Netherland Antilles	2.1	1.1	1.2
Paraguay	.7	.1	.1
France	.2	.1	.2
West Germany	.6	.4	.2
Italy	.7	.4	.4
Ecuador	1.6	.9	1.0
Panama	1.9	.9	1.1
Canary Islands	.8	.3	.3
Lebanon	1.7	1.2	1.0
Other countries	18.7	8.6	11.6
Total	38.3	18.6	22.6

[1] Subject to revision.

Compiled from publication and records of the Bureau of the Census.

Cigarette Price Rise Slows

Despite an increase in wholesale prices last winter, the uptrend in retail prices has slowed. Fewer State and local governments increased taxes this calendar

Table 1.--Cigarettes: Output, removals, and consumption, 1960-73

Year	Output	Removals					Total U.S. consumption 3/
		Taxable	Tax-exempt				
			Total	Exports	Puerto Rico 1/	Overseas forces 2/	
		Billions					
1960	506.9	470.1	37.0	20.2	2.5	14.3	484.4
1961	528.3	488.1	39.6	22.2	2.8	14.6	502.7
1962	535.5	494.5	41.1	24.1	3.1	13.9	508.4
1963	550.6	509.6	41.1	23.6	3.2	14.3	523.9
1964	539.9	497.4	42.6	25.1	3.7	13.8	511.2
1965	556.8	511.5	44.2	23.1	3.9	17.2	528.7
1966	567.3	522.5	46.1	23.5	3.9	18.7	541.2
1967	576.2	527.8	49.0	23.7	3.9	21.4	549.2
1968	579.5	523.0	53.8	26.5	4.7	22.6	545.7
1969	557.6	510.5	47.1	25.0	3.7	18.4	528.9
1970	583.2	532.8	51.2	29.2	3.7	18.4	4/536.4
1971	576.4	528.9	49.2	31.8	2.7	14.7	5/555.0
1972	599.1	551.0	47.2	34.6	2.1	10.5	5/565.0
1973 6/	625.0	573.0	52.0	40.0	2.0	10.0	583.0
		Year ending June 30 --					
1964	535.0	495.1	40.8	23.7	3.5	13.6	508.7
1965	562.4	517.0	43.9	25.1	3.7	15.1	532.1
1966	562.7	516.1	47.2	23.4	4.1	19.7	535.8
1967	572.8	524.9	47.7	23.8	3.7	20.2	545.1
1968	570.7	522.6	48.7	23.5	4.1	21.1	543.7
1969	573.0	520.3	51.5	25.8	4.4	21.3	541.6
1970	562.2	511.7	51.0	28.6	3.8	18.6	530.3
1971	585.1	539.6	47.5	29.0	3.3	15.2	4/544.0
1972	592.6	542.6	50.2	32.8	2.2	15.2	5/566.4
1973 7/	618.6	562.7	50.4	38.3	2.3	9.8	5/575.8

1/ Also includes Virgin Islands, Guam, American Samoa, Wake, and Canton and Enderbury Islands.
2/ Also includes ship stores and small 'tax-exempt' categories.
3/ Taxable removals plus overseas forces.
4/ Excludes estimated inventory increase.
5/ Includes estimated inventory decrease.
6/ Estimated.
7/ Subject to revision.

Compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms and the Bureau of the Census.

Table 2.—Consumption per capita of tobacco products in the United States (including overseas foreces), 1964-73

Year	Per capita 18 years and over				Per male 18 years aid over			
	Cigarettes[1]		Snuff	All tobacco products[1]	Large cigars and cigarillos		Smoking tobacco[2]	Chewing tobacco[2]
	Number	*Pounds*	*Pounds*	*Pounds*	*Number*	*Pounds*	*Pounds*	*Pounds*
1964	4,194	9.21	.26	11.54	154.3	2.69	1.42	1.11
1965	4,258	9.37	.24	11.51	143.8	2.57	1.19	1.07
1966	4,287	9.08	.23	11.12	136.1	2.41	1.13	1.05
1967	4,280	8.86	.23	10.80	130.7	2.28	1.08	1.04
1968	4,186	8.69	.21	10.59	126.5	2.15	1.11	1.05
1969	3,993	8.11	.20	10.04	125.0	2.11	1.08	1.09
1970	3,985	7.77	.19	9.68	125.3	2.08	1.15	1.06
1971	4,037	7.75	.19	9.52	119.2	1.94	1.06	1.09
1972	4,043	7.93	.18	9.63	108.9	1.74	1.00	1.08
1973[3]	4,100	7.94	.18	9.56	103.7	1.63	.88	1.06

[1] Unstemmed processing weight. [2] Finished product weight. [3] Estimated.

year (table 3). But further increases in retail tobacco prices may occur next year.

In July, retail prices (filter-tip, king size) were 2 percent above a year earlier. Virtually all the increase occurred following the February price rise by manufacturers. Following the government's 60-day price freeze, Phase IV price regulations began August 12. New rules allow companies to pass through certain costs after a 30-day notification period.

Since the start of 1973 only 2 States increased cigarette tax rates. This compares with 6 States and the District of Columbia in 1972 and 16 States in 1971. The weighted average State cigarette tax was 12.1 cents per pack in mid-1973, about the same as a year earlier.

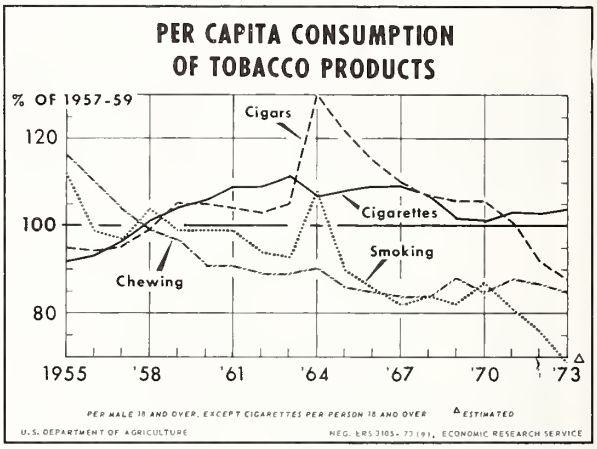


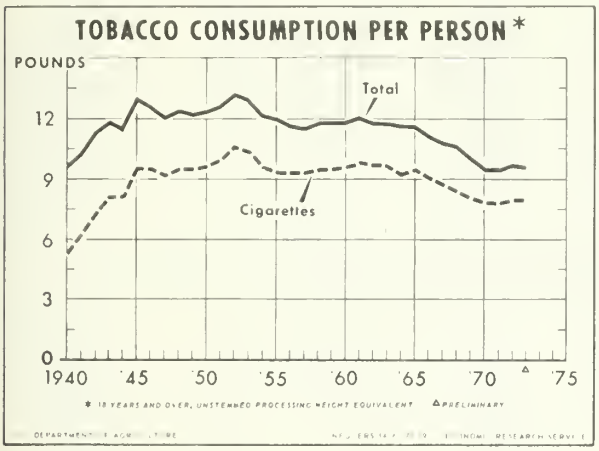
Table 3.—Tobacco demand factors, 1964-73

Year	Population July 1	Disposable personal income, per capita[2]		Consumer price indexes				
		Current prices	1958 prices	All items	Tobacco products	Cigarettes		Cigars, regular size
						Nonfilter-tip regular	Filtertip, king size	
	Million	*Dollars*	*Dollars*	*1967=100*	*1967=100*	*1967=100*	*1967=100*	*1967=100*
1964	121.9	2,283	2,126	92.9	87.7	86.6	87.3	97.2
1965	124.2	2,436	2,239	94.5	91.8	91.1	91.7	97.2
1966	126.3	2,604	2,335	97.2	96.3	96.0	96.3	98.6
1967	128.3	2,749	2,403	100.0	100.0	100.0	100.0	100.0
1968	130.4	2,945	2,486	104.2	106.3	106.9	106.4	101.3
1969	132.5	3,130	2,534	109.8	111.9	112.7	112.3	104.3
1970	135.1	3,376	2,610	116.3	122.2	122.4	122.5	105.4
1971	137.5	3,603	2,680	121.3	126.4	127.9	128.1	107.1
1972	139.8	3,816	2,767	125.3	133.4	134.8	135.4	110.8
1973[3]	142.2	4,177	2,908	132.4	137.3	139.0	139.5	113.0

[1] 18 years and older including armed forces overseas. [2] Based on total population. [3] Estimated.

State taxes range from 2 cents per pack in North Carolina to 21 cents in Connecticut. Many city and local governments also tax cigarettes. The Federal cigarette tax has been 8 cents per pack since 1951.

Most States prohibit the sale of cigarettes to minors and several States have sanitary and fire prevention laws that limit tobacco use. This year Arizona, Nevada, and Oregon enacted measures that ban smoking of tobacco products at meetings of governmental bodies and in certain public areas in designated buildings.



Fewer Large-Cigars

Consumption of large cigars (including cigarillos) this year is falling 3 percent below the 1972 level of 7.3 billion cigars. Use will do well to hold its own next year (table 4). An estimated 104 cigars per male 18 and older, are being consumed, 5 percent below 1972. Midyear retail prices averaged 2 percent above year-ago levels.

For imported cigars and for those produced in Puerto Rican factories, the upward trend continues. U.S. production is down. Taxable removals (domestic consumption) of cigars, by revenue class, through June of this year showed gains in the medium and high-price categories but declines continued in the lower-price groups (Classes A-D). Soaring sales of small cigars cut into lower-price large cigar sales last year and probably accounted for the decline in Classes A-D so far this year. About 60 percent of the 4 lower-priced groups are cigarillos (averaging less than half the weight of a full-size cigar). After a rising trend for several years, cigarillos sales declined last year.

Small cigars (cigarette-size, not over 3 pounds per thousand) more than tripled their sales last year. For 1973, taxable removals may gain one-fourth from the 1972 total of 3.9 billion. Two major manufacturers voluntarily dropped their tv ads early this year for brands introduced in the second half of 1972. However, another manufacturer began tv ads this past spring. Legislation to ban broadcast ads of small cigars passed the U.S. Congress on September 10 and went to the President (Little Cigar Act of 1973).

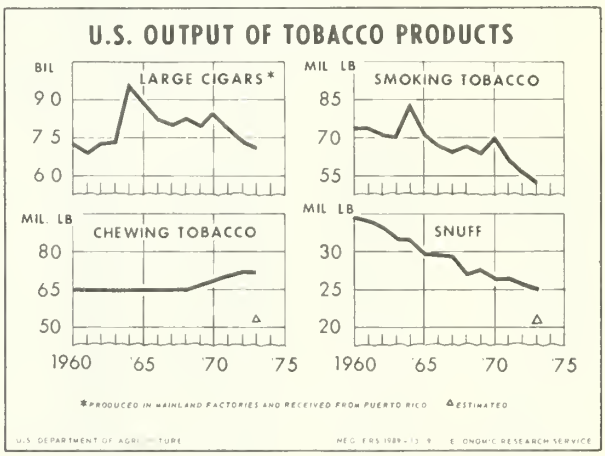
Cigar: Taxable removals by revenue class, 1972-73

Revenue class and retail price	January-June		Change from 1973
	1972	1973	
	Billions	*Billions*	*Percent*
A-D (up to 8 cents)	2.27	2.06	-9.1
E (over 8 to 15 cents)	1.08	1.10	+1.8
F-G (over 15 cents)	.26	.29	+11.9
Total removals	3.61	3.45	-4.4

Smoking and Chewing Tobacco Output Declining

Smoking tobacco production for pipes and roll-your-own cigarettes this year is expected to set a record low, falling below the 56 million pounds of last year (table 4). The long-term downward trend may continue next year.

Imports account for about one-sixth of U.S. smoking tobacco consumption. While imports have been increasing for several years, this year will probably record a drop, the first significant break from the upward trend. Shipments come mostly from Sweden and the Netherlands.



In the first half of this year domestic use of smoking tobacco, including imports, totaled 30 million pounds, 12 percent below a year earlier. Declines were recorded in each category—pipe, sack, and cigarette cut tobacco. Wholesale prices averaged 3 percent above year-ago levels. The decline in smoking tobacco use is associated with gains in cigarette consumption since 1970. So consumption in the second half this year may continue the downtrend.

Chewing tobacco production in 1973 may remain about the same as the 73 million pounds of 1972 (table 5). For several years loose leaf and fine-cut tobacco have been on the upswing while plug output has declined. Loose leaf and fine-cut represent a more

Table 4.--Cigars and smoking tobacco: Output, removals, and consumption

Year and item	U.S. factories			From Puerto Rico: taxable	Imports	Exports	Total U.S. consumption 1/
	Output	Removals: Taxable	Removals: Tax-exempt				
	Millions						
Large cigars and cigarillos							
1965	7,899	7,578	180	912	25	55	8,641
1966	7,165	7,076	193	1,075	25	73	8,296
1967	6,858	6,846	197	1,099	30	76	8,096
1968	7,184	6,759	169	1,036	48	66	7,946
1969	6,931	6,739	169	1,080	45	65	7,968
1970	7,094	6,705	152	1,259	46	54	8,108
1971	6,707	6,506	131	1,222	48	46	7,861
1972	6,025	5,896	136	1,272	62	76	7,290
1973 2/	5,700	5,625	135	1,300	75	75	7,060
	Year ending June 30 --						
1965	8,445	7,912	176	850	25	45	8,918
1966	7,517	7,332	210	1,034	25	70	8,531
1967	6,883	6,864	183	1,072	26	74	8,071
1968	7,234	6,868	192	1,114	38	77	8,135
1969	6,868	6,633	156	987	46	62	7,760
1970	7,108	6,755	165	1,186	47	58	8,095
1971	6,956	6,718	139	1,237	47	55	8,086
1972	6,353	6,217	145	1,274	53	65	7,624
1973 3/	5,842	5,725	137	1,287	69	80	7,138
	Million pounds						
Smoking tobacco 4/							
1965	71.8	67.3	3.0	---	2.1	1.0	71.4
1966	67.3	65.3	1.5	---	3.3	.9	69.2
1967	64.8	62.7	2.0	---	3.7	1.3	67.1
1968	66.3	64.1	1.9	---	5.5	1.8	69.7
1969	63.9	62.6	1.6	---	5.7	1.4	68.8
1970	69.4	65.6	1.5	---	8.7	.9	74.6
1971	60.5	61.3	1.4	---	8.4	1.2	69.9
1972	55.8	55.1	1.3	---	11.9	1.4	66.9
1973 2/	52.0	51.0	1.4	---	9.0	1.4	60.0
	Year ending June 30 --						
1965	74.1	71.4	3.0	---	2.5	1.1	75.8
1966	69.8	65.4	2.4	---	2.8	1.0	69.6
1967	64.3	62.3	1.8	---	3.2	1.1	66.2
1968	66.9	64.6	1.9	---	4.6	1.3	69.8
1969	63.7	62.5	1.7	---	5.3	1.8	67.7
1970	67.2	64.2	1.6	---	7.0	.9	71.9
1971	67.0	64.8	1.5	---	8.7	1.1	73.9
1972	57.6	57.6	1.3	---	10.6	1.4	68.1
1973 3/	52.1	52.9	1.4	---	9.8	1.3	62.8

1/ Total removals (or sales) from U.S. factories plus those from Puerto Rico, and imports, minus exports. 2/ Estimated. 3/ Subject to revision. 4/ After December 1965, taxable removals data replaced by domestic sales, and tax-exempt removals data replaced by export sales.

Compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms and the Bureau of the Census, and AMS, USDA.

Table 5.--Chewing tobacco, snuff, and small cigars: Output by category, 1963-73

Period	Chewing tobacco					Snuff	Small cigars 2/
	Plug	Twist	Fine-cut	Loose leaf 1/	Total		
	Million pounds						Millions
1963	24.9	2.9	3.3	34.2	65.4	31.8	281.4
1964	25.9	2.8	3.5	34.0	66.2	31.4	973.9
1965	24.7	2.8	3.7	33.9	65.1	29.7	440.7
1966	24.3	2.7	3.9	34.3	65.2	29.5	445.3
1967	23.7	2.6	4.1	34.0	64.4	29.3	434.2
1968	22.9	2.6	4.3	35.7	65.4	27.1	523.4
1969	23.3	2.5	4.5	39.5	69.8	27.6	720.2
1970	22.0	2.4	4.8	39.5	68.7	26.5	933.4
1971	20.6	2.4	5.1	43.3	71.4	26.4	1,135.4
1972	19.6	2.2	5.2	45.6	72.6	25.5	4,022.4
1973 3/	17.6	2.2	5.5	46.7	72.0	25.2	5,200.0
	Year ending June 30 --						
1964	25.9	2.8	3.4	34.2	66.3	31.9	913.2
1965	25.1	2.8	3.6	33.4	64.9	30.3	437.7
1966	24.5	2.9	3.8	34.2	65.4	30.0	474.7
1967	24.2	2.6	4.0	34.2	65.0	29.1	420.6
1968	23.2	2.6	4.2	34.7	64.7	28.6	462.1
1969	22.8	2.5	4.0	36.9	66.2	27.2	631.6
1970	23.0	2.4	4.9	40.1	70.4	26.3	870.8
1971	21.6	2.4	4.9	41.5	70.4	27.1	911.7
1972	19.9	2.3	5.2	45.5	73.0	26.0	1,655.1
1973 4/	18.4	2.2	5.4	46.0	72.0	25.3	5,580.4

1/ Formerly scrap.
2/ Weigh not more than 3 pounds per thousand (about cigarette size).
3/ Estimated.
4/ Subject to revision.

Basic data compiled from reports of the Bureau of Alcohol, Tobacco, and Firearms and Agricultural Marketing Service, USDA.

convenient means of consumption. For several years manufacturers have packaged loose leaf tobacco in foil pouches.

Snuff production is estimated slightly below last year, and almost one-third below a decade ago. Midyear wholesale snuff prices were 4 percent above year-earlier levels. Virtually all U.S. output of snuff and chewing tobacco is consumed domestically.

Bulk Tobacco Exports Dip

Exports of smoking tobacco in bulk for this year through July are substantially below a year ago and the calendar year total may decline one-fifth from the 29 million pounds in 1972. The Netherlands and Switzerland, the leading destinations last year, cut bulk takings substantially but increased purchases of U.S. unmanufactured tobacco. Bulk exports consists primarily of specially prepared cigarette leaf and cut or shredded tobacco from U.S. and foreign-grown sources. Bulk tobacco goes mostly to foreign cigarette factories of American based companies or their foreign licensees.

U.S. Bulk smoking tobacco exports to leading destinations, 1972-73[1]

Country	Calendar year 1972	January-July[1]	
		1972	1973
	Million pounds	*Million pounds*	*Million pounds*
Italy	0.8	0.8	1.0
Dominican Republic	2.4	1.5	.8
Switzerland	5.9	4.7	.5
Netherlands	8.7	6.2	4.5
Spain	1.9	1.5	1.0
Peru	.7	.6	.2
Ecuador	1.1	.4	.5
Finland	1.4	.7	.7
Australia	1.1	.9	.8
Other countries	5.1	2.8	2.9
Total	29.1	20.1	12.9

[1] Subject to revision.

Compiled from publications and records of the Bureau of the Census.

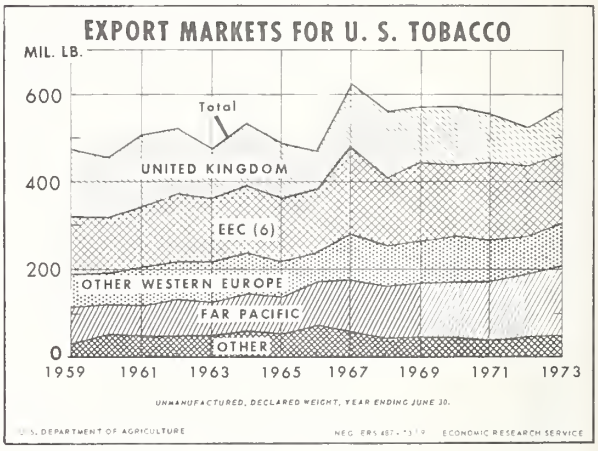
U.S. EXPORTS AND IMPORTS

Calendar Year Leaf Exports Off

U.S. exports of unmanufactured tobacco during January-July were 10 percent below last year's record high for the period. Delayed shipments from the 1971 dock strike contributed to the high level last year. But the shortfall in overseas flue-cured production boosted U.S. exports in January-July 13 percent above the 1967-71 average for those months. In the second half of 1973 exports are expected to stay near last year's level. Although leaf exports this calendar year are expected to decline from 1972's high of 606 million pounds (682 million, farm-sales weight) they are expected to remain above the 1967-71 average of 546 million (612 million, farm-sales weight).

Some overseas manufacturers increased their stocks of U.S. tobacco last year. However, the continued shift in the United Kingdom and other European markets away from U.S. tobacco is holding down U.S. exports. Despite the larger U.S. crop, uncommitted loan stocks are sharply lower. So the downturn in U.S. exports may continue next year.

For January-July 1973, a drop in exports of flue-cured—the principal export class—accounted for most of the decrease in U.S. leaf tobacco exports (table 6). Maryland and fire-cured shipments were also lower but burley gained from last year's high level. Among the countries taking less tobacco were the United Kingdom, West Germany, and Japan, the 3 largest importers of U.S. tobacco.



Fiscal Year Highlights

Tobacco exports in January-June ran at an above-average rate lifting the total for the year ending June 30, 1973, by 9 percent to 570 million pounds (629 million, farm-sales weight). Higher prices helped raise the value 16 percent to $614 million, a record fiscal year total.

Exports to Western Europe increased as takings by United Kingdom and Belgium both rebounded. West Germany's takings stayed about the same as West German manufacturers worked off inventories following tax changes last fall. Japan continues to

Table 6.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

(Declared weight)

Country and type	Average 1966-70	1971	1972 1/	1973 1/	January-July 1972 1/	January-July 1973 1/	1973 as a percentage of 1972
	Million pounds						Percent
Flue-cured	418.0	414.5	366.7	392.2	242.0	207.9	86
Burley	47.2	40.4	44.4	52.8	33.5	35.2	105
Maryland	12.5	9.2	11.2	9.7	5.7	4.8	84
Fire- and sun-cured	26.2	22.2	25.7	22.3	14.1	10.3	73
Green River	.6	.4	.3	.3	.2	.1	50
One Sucker	.8	.5	.3	.3	.1	.3	300
Black Fat, etc.	3.0	2.6	2.9	3.1	2.2	1.8	82
Cigar wrapper	3.6	1.7	3.1	2.9	1.6	1.5	94
Cigar binder	1.5	.3	.1	.1	.1	.1	100
Cigar filler	.9	.3	.4	.3	.2	.2	100
Perique	.2	.2	.2	.2	.2	.1	50
Stems, trimmings, and scrap	46.6	62.3	68.9	85.4	44.9	46.8	104
Total	561.2	554.7	524.2	569.6	344.6	309.1	90
Country of destination							
United Kingdom	129.2	108.9	85.5	109.2	40.1	38.4	96
France	7.5	9.4	11.8	5.6	6.1	4.2	69
Belgium	18.0	16.7	10.4	18.2	4.5	11.5	256
Netherlands	36.8	28.3	24.5	24.2	11.3	14.8	131
West Germany	98.4	109.6	93.3	91.9	67.7	54.4	80
Portugal	5.0	4.4	1.6	3.1	1.8	2.3	128
Denmark	17.9	17.6	19.5	21.7	13.4	15.3	114
Ireland	12.8	11.7	9.9	10.7	8.2	4.5	55
Switzerland	22.3	21.4	20.2	27.4	14.1	17.0	121
Finland	5.3	5.9	5.5	5.4	3.2	3.2	100
Norway	8.6	5.3	5.1	6.4	2.5	1.7	68
Sweden	16.2	19.3	17.7	16.6	10.5	5.7	54
Italy	8.2	15.7	24.0	18.9	23.0	20.7	90
Spain	4.4	5.1	4.6	3.8	4.4	4.3	98
Thailand	20.8	22.4	21.7	23.0	16.7	8.6	51
S. Vietnam	11.6	15.9	18.8	19.1	11.6	12.0	103
Malaysia 2/	9.6	11.5	9.8	9.1	5.0	6.3	126
Hong Kong	5.3	3.9	3.0	2.7	1.9	1.3	68
Japan	40.5	53.9	62.5	73.3	46.2	32.2	70
Australia	16.9	12.0	11.3	13.4	7.4	5.9	80
New Zealand	4.3	4.7	3.8	5.0	2.5	3.0	120
Egypt	6.0	1.4	1.0	1.1	.7	1.5	214
Other countries	55.9	49.7	58.5	59.8	41.8	40.5	97
Total	561.2	554.7	524.2	569.6	344.6	309.1	90

1/ Preliminary.

Detail may not add to total due to rounding.

Compiled from publications and reports of the Bureau of Census.

use more U.S. tobacco to supply its expanding cigarette industry.

Barter sales last fiscal year set a record high, while export credit and PL-480 sales declined further (table 7). There were 170 million pounds of tobacco bartered for materials and services used by U.S. agencies overseas. These transactions are considered equivalent to dollar sales. About two-thirds of barter exports went to Western Europe, three-tenths to the Far East and Pacific countries, and the remainder to other areas. Only a negligible amount went to Italy in contrast to 12 million pounds last fiscal year. Barter financing has been suspended beginning this fiscal year.

Last year USDA provided short-term credit on 32 million pounds of tobacco exports. Most financing for tobacco is for 6-12 months, although financing up to 36 months is authorized. USDA has suspended the short-term financing since March.

U.S. tobacco exports under government-financed programs (Public Law 480) in 1972/73 totaled 18 million pounds, 5 million below the previous year. South Vietnam continues as the leading program destination.

Tobacco: Government program exports to leading destinations, fiscal years 1972-73[1]

Country	1971-72	1972-73[1]
	Million pounds	*Million pounds*
	Foreign currency sales	
South Vietnam	15.5	14.5
Cambodia	3.8	---
Pakistan	---	.3
Philippines	1.6	2.3
	Dollar credit	
Dominican Republic	.8	---
Israel	.4	.3
	Barter	
United Kingdom	34.8	45.9
Japan	20.8	25.4
West Germany	26.5	16.7
Taiwan	12.8	14.1
Denmark	15.1	14.8
Finland	4.9	5.4
Malaysia	5.6	4.1
Ireland	4.0	6.4
Norway	5.6	5.8
Spain	5.3	4.4
	CCC credit sales	
West Germany	7.3	0
Ireland	3.1	3.5
Netherlands	1.0	.9
United Kingdom	18.4	18.3
Poland	1.9	1.5
Philippines	4.6	3.2

[1] Subject to revision.

Export Prospects

The world demand and price situation indicate that the favorable level of U.S. tobacco exports may continue in fiscal 1974. Supplies of better quality tobacco are smaller and the United States remains the major source of reserve supplies. While U.S. prices are rising, the rate of gain is below that for most competing suppliers. Effective with the 1973 crop, the U.S. export payment program was terminated, but for many countries their currency appreciation relative to the U.S. dollar more than offsets the loss of export payments. The economic sanctions against Rhodesia continue to increase the demand for U.S. tobacco exports above what it otherwise would be.

Also helping sustain U.S. exports are the desirable flavor and maturity of U.S. tobacco. It is too early to tell the extent to which tobacco substitutes can extend supplies of the natural product.

Beyond this year, the likelihood of a further rise in U.S. price levels, prospects of larger crops from lower cost overseas competitors and further application of the trade-restricting features of the enlarged European Community may limit U.S. exports.

In recent years, world cigarette consumption has increased about 4 percent annually. But technological changes in manufacturing, the trends toward filter cigarettes (76 percent in Western Europe and Japan by 1971), minicigarettes, and thinner cigarettes mean that leaf requirements do not increase proportionately with cigarette consumption.

Last fiscal year the enlarged EC (9 countries) took 53 percent of U.S. tobacco exports. The EC's Common Agricultural Policy (CAP) for tobacco is in its fourth year of operation. Italy is the biggest EC tobacco producer and rising prices have brought Italian burley output 65 percent above the 1965-69 average. Under CAP provisions, the buyer's premiums provide a strong incentive for use of domestic tobacco within the EC. Also, export subsidies are available for surplus EC tobacco from their 1971 burley and oriental crops.

Tobacco Imports Rising

U.S. unmanufactured tobacco imports for consumption during January-July 1973 were 151 million pounds, nearly 13 million above a year earlier (table 8). Most of the gain was in lower value scrap. For 1973 imports of unmanufactured tobacco probably will gain from last year and exceed 1971's record of 248 million pounds.

The United States, the world's largest producer and exporter of tobacco, is the third largest importer (after the United Kingdom and West Germany). Last year U.S. cigarettes contained about 16 percent imported tobacco (farm-sales weight) and cigars had about 60 percent.

U.S. cigarette leaf tobacco imports in 1972/73 were valued at 59 cents per pound, exclusive of ocean

Table 7.--Exports of unmanufactured tobacco under Government-financed programs and commercial sales, average 1955-59, annual 1960-73, fiscal years

Year ending June 30	Government-financed exports				Commercial exports				Total unmanufactured tobacco exports
	Title I, P.L. 480		Mutual Security and A.I.D.	Total	Barter 1/	Dollar sales		Total	
	Foreign currency sales	Long-term dollar credit sales				100 short term credit	Other		
	Quantity (export weight)								
	Million pounds								
Average: 1955-59	42.4	---	6.4	48.8	0.4	---	447.9	448.3	497.1
1960	41.9	---	23.2	65.1	29.4	---	362.1	391.5	456.6
1961	40.2	---	20.0	60.2	40.4	---	403.6	444.0	504.2
1962	26.1	---	2.8	28.9	77.4	---	413.7	491.1	520.0
1963	28.7	1.2	---	29.9	18.1	---	425.3	443.4	473.3
1964	35.5	3.8	.6	39.9	15.4	1.0	475.8	492.2	532.1
1965	21.2	4.5	5.1	30.8	18.8	.3	434.1	453.2	484.0
1966	43.2	1.3	5.8	50.3	76.9	---	345.0	421.9	472.2
1967	21.1	5.5	3.0	29.6	106.3	17.9	472.8	597.0	626.6
1968	22.9	10.9	.6	34.4	82.0	16.6	431.7	530.3	564.7
1969	19.9	16.9	.1	36.9	90.5	12.4	431.7	534.6	571.5
1970	10.6	11.1	---	21.7	132.0	48.1	369.2	549.3	571.0
1971	19.6	2.9	---	22.5	149.0	70.9	312.3	532.2	554.7
1972	21.0	2.0	---	23.0	176.8	40.6	283.8	501.2	524.2
1973 2/	17.1	1.1	---	18.2	170.0	31.5	349.9	551.4	569.6
	Value								
	Million dollars								
Average: 1955-59	30.4	---	3.3	33.7	.3	---	309.8	310.1	343.8
1960	30.8	---	18.4	49.2	19.6	---	273.1	292.7	341.9
1961	29.4	---	16.5	45.9	25.1	---	314.2	339.3	385.2
1962	19.6	---	1.8	21.4	46.3	---	339.8	386.1	407.5
1963	22.5	1.6	---	24.1	12.4	---	341.9	354.3	378.4
1964	23.8	2.9	.8	27.5	8.5	0.7	384.0	393.2	420.7
1965	14.9	4.6	2.8	22.3	13.1	.2	359.7	373.0	395.3
1966	29.9	.7	4.4	35.2	54.9	---	304.6	359.5	394.7
1967	15.6	4.0	2.4	22.0	84.6	15.9	427.2	527.7	549.7
1968	21.4	8.7	.6	30.7	75.3	14.1	373.6	463.0	493.7
1969	16.8	15.3	.1	32.2	91.5	11.7	371.5	474.7	506.9
1970	11.2	9.9	---	21.1	140.0	47.7	330.8	518.5	539.6
1971	19.1	2.7	---	21.8	162.0	76.6	276.6	515.2	537.0
1972	21.0	2.3	---	23.3	200.7	43.7	265.5	508.1	531.4
1973 2/	18.6	1.2	---	19.8	205.0	34.3	355.1	594.4	614.2

1/ Government-financed for strategic materials, 1958-62.

2/ Preliminary.

Table 8.--U.S. imports of unmanufactured tobacco for consumption and general, principal categories, and countries of origin, fiscal year, and January-July 1972-73 1/

(Declared weight)

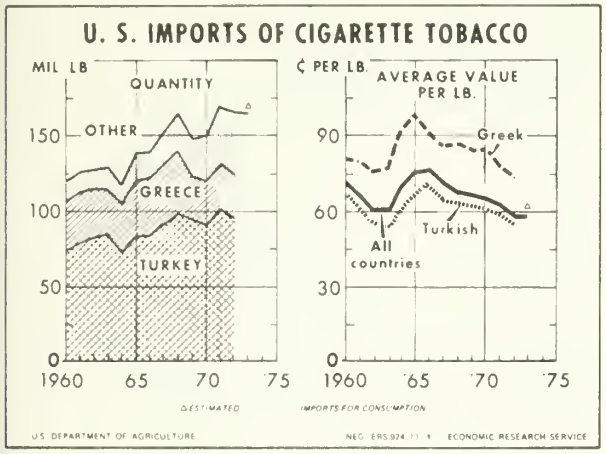
Classification and country of origin	Imports for consumption				General imports (arrivals)			
	Year, July-June	January-July 1/			Year, July-June	January-July 1/		
	1973	1972	1973	1973 as a percentage of 1972	1973	1972	1973	1973 as a percentage of 1972
	--Million pounds--			Percent	--Million pounds--			Percent
Cigarette tobacco:								
Leaf, unstemmed								
Oriental								
Turkey	103.7	53.7	63.2	118	101.2	107.5	75.8	71
Greece	26.8	17.3	14.4	83	25.0	16.3	12.0	74
Yugoslavia	15.1	8.6	8.6	100	14.2	7.8	13.4	172
Lebanon	8.6	6.7	5.3	79	12.2	7.6	11.4	150
Other countries	4.1	4.7	2.8	60	16.4	10.9	13.8	127
Flue-cured and burley	5.9	3.9	2.3	59	42.7	12.4	26.3	212
Subtotal	164.2	94.9	96.5	102	211.8	162.5	152.7	94
Scrap								
Turkey	8.8	6.1	4.0	66	9.3	7.7	6.1	79
Other countries 2/	4.2	1.1	3.3	300	5.2	4.1	4.0	98
Total	177.2	102.1	103.7	102	226.2	174.4	162.8	93
Cigar tobacco:								
Wrapper	1.0	.5	.7	140	1.3	1.1	1.0	91
Filler-stemmed and unstemmed								
Dominican Republic	2.1	1.1	1.3	118	14.8	6.9	6.4	93
Other countries	8.1	5.0	4.8	96	35.6	22.4	26.7	119
Subtotal	10.2	6.1	6.1	100	50.4	29.3	33.1	113
Scrap								
Philippine Republic	16.8	11.0	8.9	81	12.0	9.9	7.7	78
Colombia	7.0	3.3	4.5	136	3.0	2.1	2.8	133
Dominican Republic	6.8	3.7	4.5	122	2.7	.9	2.0	222
Brazil	10.7	2.1	7.2	343	4.5	.7	4.1	586
Other countries	14.6	6.5	9.3	143	17.8	5.6	11.5	205
Subtotal	55.9	26.6	34.4	129	40.0	19.2	28.1	146
Total	67.1	33.2	41.1	124	91.7	49.6	62.2	125
Stems	6.1	2.5	5.7	228	4.0	1.3	3.7	285
Grand total	250.3	137.9	150.6	109	322.0	225.4	228.6	101

1/ Preliminary.
2/ Canada, Greece, Cyprus, Lebanon, India, Korea.

Detail may not add to total due to rounding.

Compiled from publications and records of the Bureau of the Census.

freight and duties. On most cigarette leaf imports, manufacturers must pay a duty of 11½ cents per pound, yet imports still offer domestic manufacturers considerable price advantage. Except for limited duty-free quotas on some Philippine entries, scrap tobacco is dutiable at 16.1 cents per pound.



January-July 1973 arrivals of tobacco (general imports) were 1 percent more than a year earlier. Stocks of foreign-grown cigarette and smoking tobacco in the United States rose further in the second quarter of 1973. On July 1, 1973, these stocks totaled 454 million pounds (farm-sales weight). This was 7 percent above the previous July 1 and a record high for that date.

U.S. unmanufactured tobacco imports for consumption decreased 9 million pounds in the year ended June 30, 1973, but average value per pound stayed about the same (table 9). The decline in imports was in cigarette leaf. Turkey and Greece remained the largest suppliers. Low-value scrap imports increased slightly. The Philippines remained the largest source of scrap tobacco during 1972/73. Imports were large in 1971/72 due to sizable withdrawals prior to the import surcharge.

Arrivals of cigarette leaf gained again this past fiscal year as manufacturers increased their U.S. holdings. Most of the gain was in arrivals of flue-cured and burley leaf from Brazil. Arrivals and use of cigar tobacco also increased.

TOBACCO LEAF SITUATION AND OUTLOOK[1]

This past marketing year about two-thirds of U.S. tobacco was used in the United States and exports took one-third. Despite some recovery last season, use of U.S. leaf remains substantially below the 2 billion-pound level that prevailed during the 1960's. Allotments had to be reduced to work off excess stocks and U.S. production declined from 2.2 billion pounds in 1950-54 to 1.86 billion in 1968-72. Thus, with U.S. output declining and foreign production increasing, the U.S. share of world leaf output fell from 29 percent in the early 1950's to 18 percent the past 5 years.

Around the world, most tobacco is used in cigarettes. With tobacco the most costly input, U.S. manufacturers have developed and adopted measures to economize on leaf use and leaf cost per cigarette. Despite expanding cigarette sales worldwide, leaf use has lagged. U.S. tobacco has become more expensive relative to most foreign tobaccos. It meets stiff competition overseas and even domestic manufacturers have increased the import share in their blends. Also, tariffs as well as non-tariff barriers of many governments hinder U.S. tobacco exports.

Manufacturers prefer U.S. tobacco for their blends for its taste, flavor, and aroma, but manufacturing techniques and filters have substantially reduced the value of these advantages. As labor and other production costs accelerate U.S. tobacco faces intensified competition. Utilization of U.S. leaf in the years ahead will do well to maintain last season's level.

All tobacco: Acreage, yield and production, United States, 1960-73

Year	Acreage harvested	Yield per acre	Production
	Thousand	*Pounds*	*Million pounds*
Average:			
1960-64	1,159	1,880	2,178
1965-69	942	1,958	1,845
1970	899	2,121	1,908
1971	838	2,035	1,705
1972	843	2,076	1,749
1973[1]	886	2,005	1,776

[1] Indicated Sept. 1, 1973.

Marketing Quotas and Allotments

On July 3, USDA announced the 1974 flue-cured marketing quota of 1,179 million pounds, the national average yield goal of 1,854 pounds per acre, and the national acreage allotment of 635,922 acres. The base quota is unchanged from this year's base. Flue-cured growers approved acreage-poundage quotas for their 1974-76 crops in a referendum held July 17. Of the 100,466 growers voting, 98.5 percent voted for continued marketing quotas.

Individual farm quotas and matching acreage allotments for next year's flue-cured crop will reflect

[1] All quantities in this section are stated in farm-sales weight equivalent unless otherwise noted.

Table 9.--U.S. imports of unmanufactured tobacco: Quantity and average value, by kinds, 1972/73

Kind	Quantity		Value per pound	
	1972/73	Change from 1971/72	1972/73	Change from 1971/72
	- - - Million pounds - - -		- - - Cents - - -	
	Imports for consumption			
Cigarette				
leaf	164.2	-14.5	58.7	-1.0
Scrap (oriental) 1/	13.0	-2.1	10.1	-1.8
Cigar				
leaf	11.2	+1.3	112.2	-12.1
Scrap	55.9	+3.1	38.5	-7.1
Total 2/	250.3	-8.8	55.8	-.2
	General imports			
Cigarette				
Oriental leaf	169.0	+6.8	58.4	+5.8
Flue-cured and burley leaf	42.7	+24.4	34.8	+3.7
Scrap (oriental) 1/	14.5	+.9	17.7	+6.5
Cigar				
Wrapper	1.3	-.1	294.1	-16.2
Filler	50.4	+11.9	53.9	+9.2
Scrap	54.5	+16.4	30.2	-.9
Total 2/	322.0	+61.9	50.4	+3.5

1/ Turkey, Canada, Greece, Cyprus, Lebanon, India, and Korea. 2/ Includes stems.
Compiled from publications and records of the Bureau of the Census.

Table 10.--U.S. tobacco allotments, by kinds of tobacco, 1973

Kinds	Allotments	Acreage allotted	Poundage allotted	Average size of allotment
	Number	Acres	Million pounds	Acres
Flue-cured (11-14) 1/	191,588	635,743	1,178.4	3.32
Burley (31) 2/	291,738	---	559.7	3/1,919
Va. fire-cured (21)	5,735	11,302	---	1.97
Ky.-Tenn. fire-cured (22-23)	15,385	29,708	---	1.93
Dark air-cured (35-36)	20,531	11,052	---	.54
Va. sun-cured (37)	1,028	1,859	---	1.81
Cigar binder (51-52) 4/	602	5,800	---	9.63
Cigar filler and binder (42-44, 53-55)	5,713	18,024	---	3.15
Total 5/	532,320	713,488	1,738.1	---

1/ Acreage poundage with national average yield goal of 1,854 pounds oer acre. 2/ Poundage quota. 3/ Pounds. 4/ Quotas terminated. 5/ Based on unrounded data.

Compiled from records of the Tobacco and Peanut Division, ASCS, USDA.

this year's overmarketings and undermarketings. This year's flue-cured crop is falling short of the effective quota. So next year's effective quota will exceed the basic quota (table 10). Legislation authorizing emergency lease and transfer of allotments or quotas for 1973 in certain disaster areas of Georgia and South Carolina was approved August 1.

By next February 1, USDA will announce the 1974 poundage quota for burley and acreage allotments for other kinds of tobacco under quota. Shortly after the announcement, growers of burley and Virginia sun-cured types will vote in referendums on whether they favor continuing quotas on their next 3 crops. If at least two-thirds of the farmers voting approve, the marketing quotas remain in effect. Producers of fire-cured, dark air-cured, cigar binder and Ohio filler types approved marketing quotas applicable to the 1974 crop in previous referendums.

Maryland and Pennsylvania tobacco growers disapproved marketing quotas in the last referendum (1971) so government price support is not available for their 1971-73 crops. In accordance with the law, growers of these 2 kinds will vote in referendums in early 1974 on whether they favor or oppose marketing quotas on their next 3 crops. Pennsylvania filler has never had marketing quotas. For Maryland, quotas last applied to the 1965 crop. In Puerto Rico the Commonwealth Government for many years has set filler tobacco quotas. Shade-grown wrapper (types 61-62) grown in Connecticut, Massachusetts, Georgia, and Florida is not covered by marketing quota legislation.

Price Support Levels

For eligible 1974 tobacco crops the overall price support seems likely to rise about 8-9 percent above the 1973 price support levels—some 50 percent above the 1959 base. This estimate is based on changes in the parity index. As required by law, the price support adjustment for 1974 will be based on the average of the parity index in 1971, 1972, and 1973 compared with 1959. Increase in the support level averaged 1.3 percent annually in 1961 through 1968. For this year and the past 4 years the increase averaged 4.4 percent annually (table 11).

USDA Proposed Regulations for Nonquota Tobacco

In July, USDA proposed regulations to identify and certify nonquota Maryland tobacco (type 32) grown and marketed in a quota area. USDA is expected to issue the final rules in the near future. The regulations would apply in 18 states that have marketing quotas for other types of tobacco. USDA considers all tobacco grown in quota areas as quota tobacco unless a USDA tobacco inspector certifies otherwise.

Table 11.—Tobacco: Commodity Credit Corporation price support loan and program operations, 1971-73

Item	Year ending June 30—		
	1971	1972	1973
	Million dollars	*Million dollars*	*Million dollars*
	Loan operations		
New loans made	163.1	59.5	51.4
Repayments	123.7	272.3	241.8
Loans cancelled[1]	.2	0	0
Charged off	.1	.3	.1
Net additions (deductions)	39.4	(212.8)	(190.4)
Loans outstanding:			
Value	884.7	671.5	481.1
Quantity (mil. lbs.)	1,136	870	636
	Program operations		
Export payments	29.1	26.7	27.8
Public Law 480 sales:			
Foreign currency	15.8	18.9	0
Dollar credit	10.1	5.4	29.6
Short term credit sales	76.3	41.9	34.3
Recovery of costs[2]	65.5	59.3	26.0
Total costs[3]	131.4	93.2	65.8

[1] Barter for commodities and services. [2] Estimated. [3] Includes loan operations charged off. Data for 1950-70 in *Tobacco Situation*, TS-141, Sept. 1972, p. 37.

Compiled from Commodity Credit Corporation, *Report of Financial Conditions and Operations*, various issues.

Identification and certification would be provided annually at receiving stations for 90 days beginning April 15. Applicants must apply for inspection at least 14 days before certification date and provide USDA with information needed by inspectors to complete the Tobacco Classification Certificate. Tobacco would be displayed by crop-lot on an approved auction floor. If each individual lot of tobacco cannot be graded in a standard grade for type 32, then each pile would be certified in the appropriate class and type.

About 95 percent of United States tobacco is sold at auctions where the Tobacco Inspection Act requires USDA to inspect and grade the tobacco. For other tobacco, largely cigar leaf, mostly purchased at farms or marketed through cooperatives, inspection service is provided upon request on a fee basis.

FLUE-CURED

Flue-cured tobacco (types 11-14) makes up two-thirds of U.S. production and about 85 percent of U.S. tobacco exports (table 12). It accounts for nearly half of the tobacco used in U.S. cigarettes. In the United Kingdom cigarettes are made with 100 percent flue-cured tobacco, but most other foreign cigarettes use blends.

Table 12.--United States exports of unmanufactured tobacco by types, to principal importing countries, crop years, 1970/71-1972/73 1/

(Declared weight)

Importing countries	1970-1971	1971-1972	1972-1973 2/	Importing countries	1970-1971	1971-1972	1972-1973 2/
	Million pounds				Thousand pounds		
	Flue-cured, types 11-14				Va. fire and sun-cured, types 21, 37		
United Kingdom	95.1	67.9	84.8	Sweden	626	449	307
West Germany	89.0	73.2	69.9	Norway	2,105	1,683	1,579
Japan	41.2	45.0	52.4	Other countries	1,235	864	1,136
Netherlands	15.6	12.8	11.8				
Thailand	21.4	19.8	18.7	Total	3,966	2,996	3,022
Australia	10.4	9.8	10.0				
Italy	9.8	13.8	8.3				
Sweden	9.8	8.0	6.7		One Sucker, type 35		
Norway	2.9	3.0	3.2				
Finland	3.8	3.2	3.4	Bahamas	0	77	54
Denmark	11.2	13.4	13.9	Zaire (Congo, Kinshasa)	150	120	109
Ireland	9.3	7.7	7.7	Other countries	3/492	20	195
Belgium	11.0	7.9	13.5	Total	642	217	358
Switzerland	9.0	6.0	10.1				
S. Vietnam	11.9	13.8	14.5				
Philippine Republic	2.0	4.2	3.9		Green River, type 36		
Spain	5.1	4.2	3.6				
Malaysia	8.7	7.8	7.0	United Kingdom	108	80	117
Taiwan	9.5	13.3	13.9	Belgium	21	69	41
New Zealand	3.7	2.8	3.8	Zaire (Congo, Kinshasa)	73	40	25
Other countries	34.1	29.1	31.1	Other countries	221	39	4
Total	414.5	366.7	392.2	Total	423	228	187
	Burley, type 31				Cigar Filler, types 41-44		
Italy	5.4	9.2	8.8	France	90	280	200
Sweden	4.9	2.0	2.0	New Zealand	86	55	11
Denmark	2.4	2.2	2.4	Other countries	24	1	11
Netherlands	1.4	.6	1.3	Total	200	336	222
Japan	1.3	3.3	4.2				
West Germany	12.7	10.1	12.4				
Switzerland	2.8	1.9	4.0		Conn. Binder, types 51-52		
Finland	1.2	1.0	1.0				
Thailand	1.8	3.8	1.6	West Germany	88	27	21
Philippine Republic	1.9	3.6	2.1	Canada	32	29	16
Other countries	8.3	5.6	7.3	Canary Islands	22	0	28
Total	44.1	43.3	47.0	Other countries	102	29	14
				Total	244	85	79
	Maryland, type 32						
					Wis. Binder, types 54-55		
Belgium	1.5	1.0	.9				
West Germany	1.7	1.8	1.3	Netherlands	56	0	0
Switzerland	6.9	4.2	5.7	Other countries	6	1	5
Other countries	1.3	.7	.9				
Total	11.4	7.7	8.8	Total	62	1	5
	Ky.-Tenn. fire-cured, 22-23				Cigar Wrapper, types 61-62		
Sweden	.2	.6	.5	Canada	441	323	272
Netherlands	12.5	6.0	8.1	United Kingdom	248	1,195	1,155
Belgium	1.5	.4	.6	West Germany	374	648	598
France	2.8	3.5	2.1	Australia	68	47	10
Switzerland	.9	.9	.7	Canary Islands	80	115	183
Other countries	6.7	4.2	3.4	Other countries	461	738	676
Total	24.6	15.8	15.4	Total	1,672	3,066	2,894
	Stems, Trimmings, and Scrap				Black Fat		
Sweden	5.2	6.5	4.5	Cameroon	510	550	288
Denmark	3.3	3.4	4.8	Bahamas	47	40	36
United Kingdom	14.8	17.9	19.2	Togo	457	499	384
West Germany	6.8	6.4	2.8	Nigeria	575	253	211
Japan	12.6	13.8	15.9	West Africa, n.e.c.	914	1,437	1,613
Other countries	26.7	20.3	27.2	Other countries	137	76	76
Total	69.4	68.3	74.4	Total	2,640	2,855	2,608

1/ July-June crop year for flue-cured and cigar wrapper; October-September for all other types except October-July for 1972/73. 2/ Subject to revision. 3/ Includes Belgium, 216,000 pounds. Detail may not add to total due to rounding.

Compiled from publications and records of the Bureau of the Census.

Record Auction Prices

Flue-cured tobacco sold at auction markets this season through September 18 averaged 87.1 cents per pound, 0.9 cent above the comparable period last season (table 13). Grade averages were higher than last season in type 13 and 14 markets but lower in type 11 and 12. Quality declined as the percentage of primings, nondescript, and no-grade tobacco increased.

The 1973 marketing season got underway on July 24 with sales in the Georgia-Florida (type 14) and South Carolina-North Carolina border (type 13) markets. Despite the early season planting delays the crop matured very rapidly and markets opened about the same time as last year. About 51 percent of the crop was sold by September 18, compared with 62 percent a year earlier.

The Industrywide Flue-cured Tobacco Marketing Committee recommended opening dates and set selling times. This year the selling times in type 14 and type 13 markets were further held down to reduce interbelt sales and prevent processing plant tieups. Limited early openings prevailed in eastern North Carolina and the Old and Middle Belts (N.C.-Va.). But in several warehouses labor shortages meant tobacco could not be moved to processing plants fast enough and congestion resulted. Because of this backlog, most sales were canceled during the first week of September. Previous marketing holidays occurred in 1967 and 1970.

Loan Receipts Again Very Low

The price support level for the 1973 flue-cured crop averages 76.6 cents per pound, 5.4 percent above 1972. With the crop below probable disappearance, loan receipts through September 18 were only 3½ million pounds—about 0.6 percent of marketings. In the comparable period of the 1972 season, 0.2 percent went under loan.

To receive price support, flue-cured growers must comply with their farm acreage allotments and certify they did not use DDT or TDE pesticides. Under acreage-poundage legislation, growers receive price support on marketings up to 110 percent of their farm poundage quota. Marketings above a farm's poundage quota are deducted from the following year's quota. For marketings above 110 percent of the farm quotas growers must pay a penalty of 64 cents per pound (75 percent of the average market price for the preceding year).

Growers who undermarket their quotas in 1973 will have their 1974 quotas increased accordingly. For a given farm, the preceding year's quota is the maximum increase allowed. This year undermarketings will exceed overmarketings as they have in 6 of the previous 8 years (table 14).

Lease and transfer of allotments and quotas

Year	Flue-cured		Burley
	Thousand acres	*Million pounds*	*Million pounds*
1962	23.7	---	---
1963	33.1	---	---
1964	41.8	---	---
1965	54.7	---	---
1966	80.1	138.0	---
1967	97.2	167.6	---
1968	122.9	214.6	---
1969	131.8	230.3	---
1970	146.3	255.1	---
1971	166.3	289.4	15.6
1972	182.9	322.1	50.4
1973[1]	192.9	341.8	33.6

[1] Preliminary.

Compiled from records of Tobacco and Peanut Division, ASCS.

Disappearance Gains

During the year ended last June 30, disappearance of flue-cured tobacco was 1,183 million pounds, 3½ percent above the previous year (table 15). Exports recovered most of the previous season's drop, while domestic use gained fractionally. Domestic use remained below the average for the 1962-71 crop years, and total disappearance was 2 percent below the average.

The 1.5 percent annual rise in domestic disappearance over the last 3 seasons compares with the 3.2 percent rise in cigarette output. Evidently the downtrend in flue-cured leaf use per cigarette is continuing but at a slower rate than in earlier years. During the 1950's and 1960's this drop for flue-cured averaged 3 percent annually. Domestic disappearance during 1973/74 is likely to increase slightly due to the uptrend in cigarette output.

Flue-cured exports last season rebounded from the 6-year low of the previous marketing year when the U.S. dock strike held back some shipments. Helping U.S. trade last season were reduced flue-cured supplies in several traditional exporters and the inability of several importing countries to resume anticipated trade with Rhodesia (formerly the largest exporter of flue-cured tobacco after the United States). U.S. exports this crop year are expected to continue well above the pre-1966 period (before UN sanctions against Rhodesia) and probably remain near last season's level.

Among leading destinations, the United Kingdom, Belgium, Switzerland, and Japan purchased more last season. West Germany and Italy took less following big gains the previous season. For the 1973 season, Japan's purchases are expected to continue the upward trend of recent years, and West German manufacturers may rebuild their stocks of U.S. tobacco. However, U.K. purchases may decline as

Table 13.--Flue-cured tobacco auction markets: Gross sales, average price, sales dates, through Sept. 18, 1973, comparable 1972 period

Type and State	Gross sales		Average price per pound		Sales period	
	1972	1973	1972	1973	Opening date 1973 (1972)	Closing date 1973 (1972)
	- Million pounds -		- - - Cents - - -			
14, Ga.-Fla.	165.1	153.5	85.5	87.7	July 24 (July 25)	Sept. 6 (Sept. 7)
13, S.C. Border N.C.	239.1	236.9	85.4	86.6	July 24 (July 25)	(Sept. 28)
12, Eastern N.C.	159.9	130.3	88.1	87.9	July 31 (Aug. 8)	(Nov. 9)
11b, Middle Belt, N.C., Va.	31.6	20.7	87.5	87.4	Sept. 4 (Aug. 22)	(Nov. 14)
11a, Old Belt, N.C., Va.	56.3	37.2	86.4	84.8	Sept. 4 (Aug. 22)	(Nov. 15)
All Belts 1/	652.0	578.5	86.2	87.1	July 24 (July 25)	(Nov. 15)

1/ Computed from unrounded data.

Table 14.—Flue-cured and burley tobacco: Marketing quota and marketings, 1965-73

Year	Quota		Marketings				Net carryover[2]
	Basic	Effective	Actual	Over-quota	Under-quota	Effective under-quota[1]	
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*
				Flue-cured, types 11-14			
1965	1,126.0	1,124.4	1,055.5	27.1	96.0	96.0	68.8
1966	1,126.0	1,199.0	1,107.9	35.0	126.1	126.1	91.1
1967	1,126.0	1,202.4	1,247.5	77.9	32.8	30.8	-47.1
1968	1,126.5	1,067.9	996.3	26.5	98.1	96.6	70.0
1969	1,127.1	1,187.0	1,052.1	26.6	161.5	157.9	131.3
1970	1,071.0	1,190.8	1,178.2	65.1	77.6	71.2	6.1
1971	1,071.4	1,069.9	1,076.3	60.4	53.9	49.9	-10.5
1972	1,071.2	1,056.7	1,022.1	41.2	75.8	72.9	31.7
1973	1,178.4	[3]1,206.0					
1974	1,178.4						
				Burley, type 31			
1971	555.1	552.9	471.5	9.7	91.2	91.1	81.4
1972	531.5	612.9	588.6	30.7	53.7	45.7	15.0
1973	559.7	[4]574.0					

[1] Under quota marketing less ineligible carryover. [2] Effective under quota marketings less over quota marketings. [3] Subject to revision. [4] Preliminary.

Compiled from records of Tobacco and Peanut Division, ASCS.

manufacturers increase their takings from Commonwealth sources.

U.S. flue-cured tobacco exports: Percentage stemmed form of total

(unstemmed equivalent basis)

Year ending June 30	Destination		
	United Kingdom	Other countries	All countries
	Percent	*Percent*	*Percent*
1962	17.3	6.3	10.1
1964	46.8	10.6	22.6
1966	89.3	12.6	33.0
1968	94.9	21.0	45.0
1970	95.2	42.5	58.2
1972	95.3	55.3	63.4
1973	98.9	57.5	67.3

Supplies Lower

Despite a larger crop, the reduced carryover means 1973/74 supply is 2 percent below last season and the lowest since 1950. Flue-cured tobacco acreage for harvest this year is forecast 10 percent above 1972, due to the larger allotment. Although acreage was off slightly from March intentions, gains from last year are estimated for all States and belts. Nationally the yield estimate is 1 percent above last season. The Old and Middle Belts may gain, but in the Georgia-Florida Belt where auctions have closed, yields were a seventh below last season, due to wet weather. The September 1 forecast for flue-cured production was 1,119 million pounds—10 percent above 1972.

Flue-cured carryover last July 1 totaled 1,749 million pounds. This was 8½ percent below a year earlier. The supply—production plus carryover—is about 2 percent below the 2,932 million pounds in 1972/73 and about one-fourth less than the 1964/65 record. This year's supply is 2.4 times last year's use, about equal to the desired ratio based on legislative formula. With a reduced supply this year and disappearance near last season, carryover next July 1 will decline further (table 15).

Tobacco loan stocks, 1971-73

(Farm-sales weight)

Type	End of August		
	1971	1972	1973
	Million pounds	*Million pounds*	*Million pounds*
Flue-cured, 11-14	770.2	567.6	385.7
Uncommitted	734.4	360.2	260.4
Burley, 31	472.2	336.6	288.3
Uncommitted	467.5	321.8	221.0
Virginia, 21	1.0	.5	(1)
Kentucky-Tennessee, 22-23	5.5	1.3	3.3
Kentucky-Tennessee, 35-36	12.8	13.1	13.3
Ohio, 42-44	0	0	0
Puerto Rican, 46	2.8	0	0
Connecticut Valley, 51-52	2.4	2.1	2.3
Southern Wis., 54	0	0	(1)
Northern Wis., 55	0	0	.1
Total	1,266.9	921.2	693.0

Compiled from records of Tobacco and Peanut Division, ASCS.

Table 15.—Flue cured tobacco, types 11-14, and burley tobacco, type 31: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1963-73

(Farm-sales weight)

Marketing year	Acreage harvested	Yield per acre	Production	Beginning stocks[1]			Total supply
				Manufacturers and other	Under loan	Total	
	Thousand acres	*Pounds*	*Pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*
	Flue-cured, types 11-14						
1963	694.5	1,975	1,371.5	1,785.3	496.3	2,281.6	3,653.1
1964	627.6	2,211	1,387.8	1,689.5	696.9	2,386.4	3,774.2
1965	562.3	1,883	1,059.0	1,636.9	918.5	2,555.4	3,614.4
1966	607.0	1,825	[2] 1,107.9	1,602.5	836.4	2,438.9	3,546.8
1967	610.3	2,070	[2] 1,250.0	1,587.1	685.4	2,272.5	3,522.5
1968	533.0	1,841	[2] 995.6	1,528.1	773.4	2,301.5	3,297.1
1969	576.8	1,825	[2] 1,052.8	1,299.6	800.5	2,100.1	3,152.9
1970	584.1	2,042	[2] 1,178.1	1,227.5	744.9	1,972.4	3,150.5
1971	525.8	2,050	[2] 1,076.3	1,214.5	761.9	1,976.4	3,052.7
1972	513.6	1,971	[2] 1,022.1	1,292.4	617.8	1,910.2	2,932.3
1973[3]	563.5	1,985	1,118.8	1,347.0	402.3	1,749.3	2,868.1
	Burley, type 31						
1963	338.5	2,231	755.1	1,133.5	94.4	1,227.9	1,983.0
1964	306.6	2,022	619.8	1,146.8	265.4	1,412.2	2,032.0
1965	277.1	2,116	586.3	1,099.3	316.4	1,415.7	2,002.0
1966	240.7	2,437	586.7	1,133.4	261.9	1,395.3	1,982.0
1967	237.7	2,274	540.6	1,104.8	276.7	1,381.5	1,922.1
1968	237.6	2,372	563.4	1,002.4	321.7	1,324.1	1,887.5
1969	237.7	2,488	591.4	975.7	340.8	1,316.5	1,907.9
1970	216.4	2,590	560.5	887.9	454.8	1,342.7	1,903.2
1971	213.5	2,213	472.6	882.4	463.4	1,345.8	1,818.4
1972	235.8	2,549	[2] 590.3	920.9	327.6	1,248.5	1,838.8
1973[3]	230.7	2,240	516.8	958.8	280.0	1,238.8	1,755.6

Marketing year	Disappearance			Average price per pound	Price support level	Placed under Government loan	
	Total	Domestic	Exports			Quantity	Percentage of crop
	Million pounds	*Million pounds*	*Million pounds*	*Cents*	*Cents*	*Million pounds*	*Percent*
	Flue-cured, types 11-14						
1963	1,266.7	768.3	498.4	58.0	56.6	277.2	20.2
1964	1,218.8	774.7	444.1	58.5	57.2	285.6	20.7
1965	1,175.5	752.4	423.1	64.6	57.7	71.5	6.8
1966	1,274.3	687.2	587.1	66.9	58.8	74.6	6.8
1967	1,221.0	687.7	533.3	64.2	59.9	282.1	22.6
1968	1,197.0	671.7	525.3	66.6	61.6	128.8	12.9
1969	1,180.5	645.9	534.6	72.4	63.8	97.6	9.3
1970	1,174.1	640.1	534.0	72.0	66.6	144.2	12.2
1971	1,142.5	662.5	480.0	77.2	69.4	55.7	5.2
1972	1,183.0	664.2	518.8	85.3	72.7	24.3	2.4
1973					76.6		
	Burley, type 31						
1963	570.8	513.4	57.4	59.2	58.3	202.3	26.8
1964	616.3	560.6	55.7	60.3	58.9	110.4	17.8
1965	606.7	549.6	57.1	67.0	59.5	42.2	7.2
1966	600.5	544.1	56.4	66.9	60.6	62.5	10.6
1967	598.0	544.6	53.4	71.8	61.8	64.2	11.9
1968	571.0	516.1	54.9	73.7	63.5	56.2	10.0
1969	565.2	507.1	58.1	69.6	65.8	158.2	26.8
1970	557.4	503.0	54.4	72.2	68.6	47.7	8.5
1971	569.9	515.2	54.7	80.9	71.5	.2	---
1972	[4] 600.0	[4] 532.0	[4] 68.0	79.2	74.9	22.9	3.9
1973							

[1] July for flue-cured; October 1, for burley. [2] Sales. [3] Subject to revision. [4] Estimated.

Table 16.--Flue-cured and burley tobacco: Stocks and stocks utilization ratios, manufacturers and dealers, 1952-73

(Farm-sales weight)

Marketing year	Flue-cured				Burley			
	Domestic manufacturers		Dealers		Domestic manufacturers		Dealers	
	Beginning stocks 1/	Stocks usings ratio	Beginning stocks 1/	Stocks exports ratio	Beginning stocks 2/	Stocks usings ratio	Beginning stocks 2/	Stocks exports ratio
	Million pounds	Number	Million pounds	Number	Million pounds	Number	Million pounds	Number
1952	1,364	1.65	185	0.44	899	1.73	39	1.34
1953	1,400	1.80	214	.50	918	1.86	48	1.37
1954	1,447	1.94	189	.44	920	1.90	51	1.55
1955	1,485	2.04	242	.44	867	1.79	48	1.41
1956	1,577	2.24	225	.48	884	1.83	38	1.36
1957	1,594	2.16	274	.62	980	2.05	36	1.29
1958	1,406	1.91	286	.65	958	1.98	40	1.14
1959	1,328	1.73	242	.58	952	1.91	29	.81
1960	1,286	1.62	263	.55	1,048	2.06	53	1.29
1961	1,337	1.71	247	.51	989	1.88	50	1.11
1962	1,467	1.89	237	.55	1,049	1.98	55	1.04
1963	1,478	1.92	307	.62	1,044	2.03	90	1.58
1964	1,406	1.81	283	.64	1,060	1.89	87	1.55
1965	1,363	1.81	274	.65	1,023	1.86	76	1.33
1966	1,349	1.96	253	.43	1,065	1.96	68	1.21
1967	1,306	1.90	281	.53	1,038	1.90	67	1.26
1968	1,258	1.87	271	.52	966	1.87	36	.65
1969	1,081	1.67	219	.41	942	1.86	34	.59
1970	1,014	1.58	214	.40	858	1.71	30	.56
1971	1,010	1.52	204	.43	854	1.66	28	.51
1972	1,087	1.64	206	.40	888	3/1.67	33	3/.49
1973	1,154		193		3/923		3/35	

1/ July 1.

2/ October 1.

3/ Estimated.

By September 1, uncommitted loan stocks of 1963-72 flue-cured tobacco—a component of the carryover and supply estimates above—totaled 266 million pounds. This was only three-fourths the level of a year earlier and the least since the early 1950's. The Flue-cured Tobacco Cooperative Stabilization Corporation—the growers' organization handling price support—sold 51 million pounds in July and August. Except for the record high last year for those 2 consecutive months, this was the largest sale since 1966. Domestic manufacturers took the most. With this season's heavy sales and with negligible loans from this crop, loan holdings next July 1 may fall one-fourth to the lowest level in 2 decades.

BURLEY

Use of burley tobacco (type 31) which goes chiefly for cigarettes gained further in the year just ending. Over one-third of domestic cigarette blends is burley so nearly 80 percent of burley use goes for U.S. cigarettes. Another 10 percent goes into other domestic products and exports take about 10 percent. U.S. cigarette manufacturers have gradually increased the burley proportion in their blends. But tobacco economizing techniques until last year had reduced total leaf requirements and more than offset the rise in cigarette output. Despite the recent pickup, domestic burley use remains below the 1964/65 peak. U.S. burley exports are up as foreign demand for American type blends continues to grow. Most of the foreign market, however, is supplied by overseas producers, often at prices less than half the U.S. level.

Disappearance Rises

Domestic use of burley tobacco for the year ending September 30 probably will total about 3 percent above the 515 million pounds used in 1971/72 (table 15). Exports are up about a fourth from the 55 million pounds of last year. Based on these prospects, total disappearance should gain some 6 percent from the 570 million pounds of last season, leaving October 1 carryover 1 percent smaller than a year earlier.

Disappearance for the first 9 months of the marketing year was 456 million pounds, 28 million more than in the year-earlier period. Both domestic use and exports gained. Domestic use totaled 403 million pounds, 15 million above 1971/72 and the highest for that period since 1967/68. Cigarette output is increasing and disappearance indicates that burley is maintaining its share of the cigarette blend. Yet among the secondary outlets for burley, both smoking tobacco output and bulk tobacco exports are decreasing.

For the first 10 months of this marketing year, burley exports totaled 61 million pounds, 16½ million above a year earlier when the dock strike reduced takings. Italy took slightly less but West Germany more than doubled its takings. Foreign burley production gained 72 million pounds last year, probably adding to stocks in several countries.

Supplies Reduced

The September estimate of the 1973 U.S. burley crop is 517 million pounds—14 percent below 1972. This is the third year of poundage controls. Acreage for harvest is down 2 percent. For 1973 the basic quota is up but the effective quota is 5 percent less than last season. Prospective yields are 12 percent below last year's level. Burley tobacco prospects are reported the poorest in recent years. Stands are scanty and uneven because of excess rain, washing and drowning out. Surplus moisture early in the season intensified other problems such as nitrogen deficiency, root rot, scalding, toxic soil conditions, budworms, and extremely late plantings.

Burley supply for 1973/74 (indicated carryover plus the new crop) is about 5 percent below last year and 13 percent below the record high in 1964. Prospective supply of about 2.9 times probable disappearance is close to the desired supply based on legislative formula and represents a substantial improvement over the 3.5 supply-use ratio that prevailed in 1970 (table 16).

By August 31, 1973, uncommitted government loan stocks were one-fourth below the 322 million pounds of a year earlier. Last year's loan receipts were up from the previous season, but with cigarette sales rising, manufacturers have bought substantial quantities.

Auction sales usually begin in late November. The 1972 crop sold for an average of 79.2 cents per pound, with 4 percent of the crop placed under loan. Price support level for 1973 burley averages 78.9 cents per pound, about 5 percent above 1972. Loan rates for individual grades will be announced before the markets open in November.

MARYLAND

Maryland tobacco (type 32) goes almost entirely into cigarettes. About one-third of the crop is exported. Annual disappearance since 1950 has varied irregularly between 25 million pounds and a record 49 million in 1968/69.

Use Steady

Disappearance of Maryland tobacco during the first 9 months of the marketing year that began October 1, 1972, totaled 19 million pounds—about unchanged from a year earlier. Domestic use fell some but exports rose. As supplies have fallen, U.S. manufacturers have reduced the amount of Maryland tobacco in cigarette blends. For the

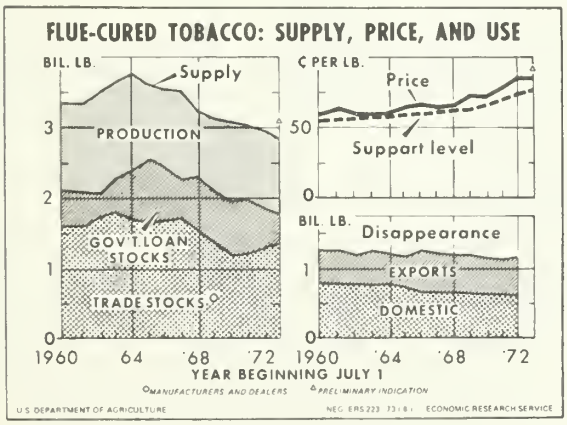
Table 17.--Maryland tobacco, type 32: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1967-73

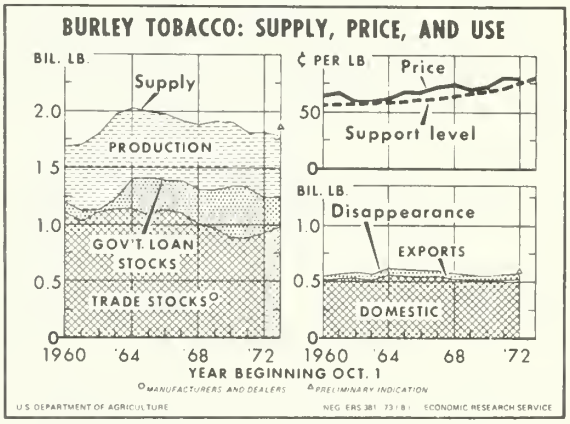
(Farm-sales, weight)

Marketing year	Acreage harvested	Yield per acre	Production	Stocks, following January 1 -- Manufacturers and other	Stocks, following January 1 -- Under loan	Stocks, following January 1 -- Total	Total supply
	Thousand acres	Pounds		Million pounds			
1967	31.5	1,030	32.4	68.2	18.1	86.3	118.7
1968	30.0	1,065	32.0	74.5	7.0	81.5	113.5
1969	28.0	1,000	28.0	66.7	0	66.7	94.7
1970	27.0	1,090	29.4	50.1	0	50.1	79.5
1971	27.0	1,040	28.1	46.0	0	46.0	74.1
1972	24.0	990	23.8	46.6	0	46.6	70.4
1973 1/	24.0	1,100	26.4	46.0	0	*45.0	*71.4

	Disappearance 2/ Total	Domestic	Exports	Average price per pound	Price support level	Placed under Government loan: Quantity	Percentage of crop
	Million pounds			Cents		Million pounds	Percent
1967	36.0	20.3	15.7	62.4		No price support	
1968	48.7	38.3	10.4	69.8		No price support	
1969	41.3	29.1	12.2	75.1		No price support	
1970	39.5	27.6	11.9	78.6		No price support	
1971	25.5	17.5	8.0	81.9		No price support	
1972	*25.5	*14.5	*11.0	3/84.4		No price support	
1973						No price support	

1/Based on September 1 crop prospects and estimated stocks. 2/Year beginning October 1. 3/Auction market average. *Estimated.





1972/73 marketing year disappearance is expected to about equal the previous year's reduced level of 25.5 million pounds (table 17).

Exports of Maryland tobacco will surpass the dock strike-reduced level of 1971/72. In the first 10 months of the current marketing year, exports were 2.6 million pounds above the year-earlier period. Switzerland the chief market, took more tobacco.

Stocks Lower; Crop Larger

By next January 1—the date specified for marketing quota calculations—carryover probably will decline slightly from this year's 46.6 million pounds. The Maryland crop is an estimated 26½ million pounds, 11 percent above 1972. This year's crop plus the estimated carryover will provide a 1973/74 supply slightly above the year now ending.

Auction sales of the 1972 Maryland tobacco crop began April 10 and ended June 15. Average price to growers was a record high, 84.4 cents per pound. Prices advanced for almost all grades, although overall quality of offerings was lower than the previous season.

FIRE-CURED

Fire-cured tobacco in used for making snuff, plug and twist chewing, cigars, and smoking tobacco. Since U.S. production of most of these products has declined over the past decade, the use of fire-cured tobacco has also fallen. Exports—accounting for about six-tenths of the total disappearance—have held up better than domestic use.

1972/73 Disappearance Up

Disappearance of fire-cured tobacco (types 21-23) during the first 9 months of the marketing year that began October 1, 1972, was 33 million pounds, about half a million above a year earlier. Exports gained but domestic disappearance declined. For the entire marketing year, estimated disappearance is about 2 million pounds above last season's 41 million pounds and exceeds last year's output. Carryover this October 1 will probably be lower than the 64½ million pounds of last year (table 18).

Based on the indications through June, domestic use of both Virginia (type 21) and Kentucky-Tennessee (types 22-23) in the 1972/73 year are below the previous year's level. In October 1972-June 1973, snuff output (the major domestic use of fire-cured) was down from a year earlier.

Exports of fire-cured tobacco in the season now ending are expected to total almost a fourth greater than 1971/72 exports. Most of the gain is occurring in the larger volume Kentucky-Tennessee types. Exports of 16.9 million pounds of Kentucky-Tennessee types during October 1972-July 1973 were 2.4 million pounds above a year earlier. The Netherlands—first ranking outlet—accounted for most of the increase. Virginia fire-cured exports of 3.7 million pounds in October 1972 -July 1973 were 1.2 million above a year earlier. Larger shipments went to Norway, the leading destination.

Supplies Down

The September estimate of fire-cured production is 40½ million pounds, 4 percent smaller than last year's crop. Acreage for harvest is 4 percent smaller. Average yield per acre is indicated a little below last year.

Combined supplies of the fire-cured types for 1973/74—estimated carryover and production—total slightly below the 107 million pounds of a year earlier. About 3 million pounds of loan stocks are available. Although loan receipts from last year's Kentucky-Tennessee crop were considerably higher, total holdings are still only a fraction of those of a few years ago.

In Malawi, the chief fire-cured exporter besides the United States, 1973 sales through August of 21.5 million pounds were about the same as last year. Auction prices this season averaged 33 cents per pound compared with 35.5 cents last year.

DARK AIR-CURED

Dark air-cured tobacco (types 35-37) is used in manufacture of plug, twist, fine-cut chewing tobacco, and snuff, and also to some extent for smoking tobacco and cigars. Production and use have declined about half in the past 2 decades. The decline has been relatively greater for exports than domestic use. Exports now account for only one-seventh of annual disappearance.

Disappearance Dropping

Disappearance of dark air-cured tobacco during the first 9 months of the current marketing year was 13½ million pounds, 2 million below a year earlier. Domestic use fell but exports picked up. Last year's price to growers averaged 3 cents per pound higher than in 1971.

For the year ending September 30, 1973, total disappearance may decline 2 million pounds from the 20½ million of last year. This would mean a carryover slightly below the 49 million last October 1 (table 19).

Domestic use of dark air-cured may total 3 percent below last year. Exports of dark air- and sun-cured tobacco in 1972/73 probably increased a little.

Supplies Still Large

The September estimate of this year's dark air-cured crop is 15 million pounds—about 9 percent below last year's low level. Acreage for harvest is

Table 18.--Fire-cured tobacco, Kentucky-Tennessee types 22-23, and Virginia fire-cured type 21: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1967-73

(Farm-sales weight)

Marketing year beginning October 1	Acreage harvested	Yield per acre	Production	Beginning stocks, October 1 -- Manufacturers and other	Beginning stocks, October 1 -- Under loan	Beginning stocks, October 1 -- Total	Total supply
	Thousand acres	Pounds	---------- Million pounds ----------				
	Kentucky-Tennessee fire-cured, types 22-23						
1967	17.3	1,702	29.5	64.0	27.3	91.3	120.8
1968	17.9	1,822	32.6	57.3	21.5	78.8	111.4
1969	19.0	1,797	34.1	61.1	11.6	72.7	106.8
1970	17.7	1,749	30.9	54.1	9.7	63.8	94.7
1971	19.5	1,928	37.6	48.6	4.7	53.3	90.9
1972	20.4	1,844	37.6	55.0	1.2	56.2	93.8
1973 1/	19.4	1,774	34.4			*55.8	*90.2
	Virginia fire-cured, type 21						
1967	5.4	1,290	7.0	12.1	2.7	14.8	21.8
1968	4.9	1,205	5.9	8.9	2.8	11.7	17.6
1969	5.0	1,340	6.7	8.0	1.9	9.9	16.6
1970	5.0	1,230	6.2	8.4	1.4	9.8	16.0
1971	5.0	1,180	5.9	8.0	1.0	9.0	14.9
1972	4.8	970	4.7	7.9	.4	8.3	13.0
1973 1/	4.9	1,250	6.1			*8.0	*14.1

Marketing year beginning October 1	Disappearance: Total	Disappearance: Domestic	Disappearance: Exports	Average price per pound	Price support level	Placed under Government loan: Quantity	Placed under Government loan: Percentage of crop
	Million pounds			Cents		Million pounds	Percent
	Kentucky-Tennessee fire-cured, types 22-23						
1967	42.0	14.9	27.1	46.2	41.9	.8	2.7
1968	38.7	2/19.1	19.6	51.1	43.1	.4	1.2
1969	43.0	18.5	24.5	48.1	44.6	1.9	5.6
1970	41.4	13.1	28.3	54.4	56.6	3/	.1
1971	34.7	16.0	18.7	60.8	48.5	3/	.1
1972	*38.0	*15.5	*22.5	57.3	50.8	2.8	7.4
1973					53.5		
	Virginia fire-cured, type 21						
1967	10.1	3.4	6.7	40.9	41.9	.7	10.1
1968	7.7	3.0	4.7	46.9	43.1	.2	3.4
1969	6.8	1.7	5.1	53.1	44.6	.1	1.5
1970	7.0	2.4	4.6	52.0	46.6	.1	2.0
1971	6.6	3.1	3.5	54.8	48.5	.1	1.0
1972	*5.0	*1.0	*4.0	64.2	50.8	3/	.1
1973					53.5		

1/Based on September 1 crop prospects and estimated stocks. 2/Includes 4.7 million pounds fire loss, April 1969. 3/Less than 50,000 pounds. *Estimated.

Table 19.--Dark air-cured tobacco, types 35-36, and Sun-cured tobacco type 37: Acreage, yield, production, carryover, supply, disappearance, season average price, and price support operations, 1967-73

(Farm-sales weight)

Marketing year beginning October 1	Acreage harvested	Yield per acre	Production	Beginning stocks: Manufacturers and other	Beginning stocks: Under loan	Beginning stocks: Total	Total supply
	Thousand acres	Pounds	Million pounds				
	Dark air-cured, types 35-36						
1967	9.5	1,629	15.5	39.2	21.3	60.5	76.0
1968	9.8	1,831	18.0	41.1	17.1	58.2	76.2
1969	10.1	1,793	18.1	44.1	15.0	59.1	77.2
1970	8.2	1,863	15.4	35.5	18.2	53.7	69.1
1971	8.6	1,834	15.7	35.5	14.3	49.8	65.5
1972	8.2	1,875	15.5	33.5	12.7	46.2	61.7
1973 1/	7.9	1,782	14.1			*43.7	*57.8
	Sun-cured, type 37						
1967	1.2	1,090	1.3	4.2	0	4.2	5.5
1968	1.1	1,095	1.2	3.9	0	3.9	5.1
1969	1.1	1,225	1.3	3.8	0	3.8	5.1
1970	1.0	1,100	1.1	3.3	0	3.3	4.4
1971	.9	1,200	1.1	3.1	0	3.1	4.2
1972	.8	1,010	.8	3.0	0	3.0	3.8
1973 1/	.7	1,150	.8			*3.3	*4.1

	Disappearance: Total	Disappearance: Domestic	Disappearance: Exports	Average price per pound	Price support level	Placed under Government loan: Quantity	Placed under Government loan: Percentage of crop
	Million pounds			Cents		Million pounds	Percent
	Dark air-cured, types 35-36						
1967	17.8	14.8	3.0	40.8	37.3	1.4	9.0
1968	17.1	15.0	2.1	47.4	38.3	.7	3.9
1969	23.5	21.2	2.3	40.3	39.7	4.8	26.5
1970	19.3	16.7	2.6	46.0	41.4	1.0	6.8
1971	19.3	17.4	1.9	47.1	43.1	1.7	10.7
1972	*18.0	*15.0	*3.0	50.3	45.2	1.2	.8
1973					47.6		
	Sun-cured, type 37						
1967	1.6	1.2	.4	45.2	37.3	2/25	1.9
1968	1.3	1.1	.2	53.2	38.3	2/1	.1
1969	1.8	1.5	.3	52.8	39.7	2/1	.1
1970	1.3	1.1	.2	53.8	41.4	2/3	.3
1971	1.2	1.0	.2	54.1	43.1	0	---
1972	*.5	*.3	*.2	57.9	45.2	0	---
1973					47.6		

1/Based on September 1 crop prospects and estimated stocks. 2/Quantity placed under Government loan reported in thousand pounds. *Estimated.

estimated lower than last year. With crops and carryovers a little smaller, total 1973 supplies are estimated 3½ million pounds below last year's 65½ million pounds. Supplies equal 3 times the past season's use. Mid-1973 loan holdings are about the same as a year-earlier levels.

CIGAR TOBACCO

Cigar leaf tobaccos (types 41-62) are classified according to usage in cigar manufacture—filler, binder, and wrapper. The shift to smaller cigars and reconstituted tobacco sheet is reducing cigar leaf requirements. Loose leaf chewing tobacco takes most of the cigar binder output. Exports are important for cigar wrapper; other kinds have negligible exports.

Since the early 1960's U.S. and Puerto Rico cigar leaf production has been declining while imports of filler leaf and scrap have risen. The Philippines and countries in Central and South America are the chief foreign suppliers. About 170 million pounds of leaf are used annually, with imports predominating.

Cigar Filler Disappearance Dropping

For the first 9 months of the 1972/73 marketing year, total diasppearance of U.S. cigar filler tobacco (types 41-46) was 40 million pounds, down 2 million from the increased year-earlier level. Pennsylvania filler accounted for the decline; Ohio and Puerto Rican kinds gained. In the same period, production of loose leaf chewing tobacco gained but cigar production declined.

Filler disappearance in 1972/73 may not equal the 55 million pounds of a year earlier. Lower disappearance of Pennsylvania type is more than offsetting gains for the other kinds (table 20).

Imports Supplementing Lower U.S. Supplies

During October 1972-June 1973, U.S. manufacturers used 89 million pounds of foreign cigar tobacco (imports for consumption) or 26 million more than a year earlier. With the large drop in domestic supplies and the boost in small cigar output, manfacturers may draw more heavily on foreign leaf. Foreign-grown cigar leaf stocks in the United States on July 1 totaled 114 million pounds, up 20 million from a year earlier. Almost all origins except the Philippines recorded gains.

Cigar Binder Disappearance Falters

Cigar binder disappearance for October 1972-June 1973 was 16 million pounds, down 1.7 million from a year earlier. All types declined except Connecticut Valley (type 51). Loose leaf chewing tobacco remains the major outlet for Wisconsin tobacco; production stabilized for most of the 1960's and then gained in the past 5 years.

With the production gains for the more expensive cigars, disappearance of Connecticut Valley binder tobacco for 1972/73 is estimated slightly above the previous season and above last year's output. Carryover on October 1, 1973, is expected to decline slightly to total about 7 million pounds.

Disappearance of Wisconsin tobacco for 1972/73 may decline 2 million pounds from 1971/72. This lower level would almost equal last season's production, leaving stocks about the same as the 39½ million on October 1, 1972.

Cigar Wrapper Disappearance Off

Disappearance of shade-grown wrapper (type 61-62) in the year ended June 30 was 11.8 million pounds, about 2.8 million below a year earlier. Exports were about the same, but domestic use declined to a new low. Production has dropped by about half since 1965 even though grower prices have risen. With large-cigar output declining and manufactured wrapper output expanding, the market for natural wrapper is in a slump. High costs crimp U.S. wrapper exports.

U.S. and Puerto Rican Supplies to Decline

Supplies of U.S. and Puerto Rican cigar tobacco will decline from 1972/73, continuing the postwar trend. Although prospective production is larger, October 1, 1973, carryover is down sharply. Both cigar filler and cigar binder supplies experienced declines. By August 31, government loan stocks of cigars tobacco declined slightly from last year's low level.

Filler: As of September 1, the Pennsylvania filler crop was indicated at 24 million pounds, about a third above 1972's weather-reduced crop. This season's crop is about equal to the more nearly normal 1971 crop. The new crop plus the reduced carryover will provide a supply about 19 percent below last season's.

Despite the reassignment of some allotments, Ohio filler acreage is estimated about 4 percent below the record low of last year. As of September 1, the crop was placed at 3.3 million pounds, 0.7 million below last year. The crop plus the lower carryover will reduce the supply for 1973/74 by about 1½ million pounds.

Carryover of Puerto Rican filler on October 1 is estimated about 4 million pounds below a year earlier. For 1973/74, the Puerto Rican government has announced a quota of 22½ million pounds—about 4½ times the low harvest early this year. Acreage has been trending downward since 1964, so production has been considerably below the announced quota for the past several seasons even though the Commonwealth pays a subsidy of 20 cents per pound. Supply for 1973/74 seems likely to fall some 1 million pounds to another record low.

Table 20.--Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1967-73

(Farm-sales weight)

Crop year	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pound to growers
			Production	Beginning stocks 1/	Total supply	Total	Domestic	Exports	
	Thous. acres	Pounds	Million pounds						Cents
Pennsylvania Seedleaf Filler (type 41)									
1967	21.0	1,825	38.3	112.3	150.6	41.9	41.3	0.6	28.0
1968	21.0	1,775	37.3	108.7	146.0	40.9	40.0	.9	30.0
1969	20.0	1,825	36.5	105.1	127.9	44.3	43.7	.6	30.0
1970	17.0	1,800	30.6	97.3	129.3	40.9	40.7	.2	31.0
1971	15.2	1,610	24.5	87.0	111.5	41.3	40.6	.4	36.0
1972	13.0	1,400	18.2	70.2	88.4	*40.5	*40.3	* .2	46.0
1973 2/	14.0	1,700	23.8	*47.9	*71.7				
Ohio, Miami Valley Filler (types 42-44)									
1967	2.3	1,580	3.6	15.5	19.1	6.2	6.2	---	29.0
1968	2.0	1,670	3.4	12.9	16.3	5.4	5.4	---	31.0
1969	1.7	1,650	2.8	10.9	13.7	4.7	4.7	---	32.5
1970	1.6	1,750	2.9	9.0	11.9	4.1	4.1	---	38.0
1971	2.0	1,850	3.8	7.8	11.6	4.6	4.6	---	41.0
1972	2.3	1,750	4.0	7.0	11.0	*4.7	*4.7	---	44.0
1973 2/	2.2	1,500	*3.3	*6.3	*9.6				
Puerto Rico Filler (type 46) 3/									
1967	7.6	1,419	10.8	40.5	51.3	16.9	16.9	---	4/33.1
1968	6.0	1,282	7.6	34.4	42.0	16.2	16.2	---	4/33.3
1969	4.7	1,303	6.1	25.8	31.9	12.6	12.6	---	4/33.6
1970	3.2	1,397	4.5	19.3	23.8	8.8	8.8	---	4/36.1
1971	4.8	1,418	6.7	15.0	21.7	9.0	9.0	---	4/39.8
1972	5.5	910	5.0	12.7	17.7	*9.0	*9.0	---	5/
1973 2/	3/6.0	3/1,330	3/8.0	*8.7	*16.7				
Total Cigar Filler (types 41-46)									
1967	30.9	1,707	52.7	168.3	221.0	65.0	64.4	.6	29.1
1968	29.0	1,666	48.3	156.0	204.3	62.5	61.6	.9	30.5
1969	26.4	1,721	45.4	141.8	187.2	61.6	61.0	.6	30.6
1970	21.8	1,737	38.0	125.6	163.6	53.8	53.6	.2	32.1
1971	22.0	1,587	35.0	109.8	144.8	54.9	54.5	.4	37.3
1972	20.8	1,308	27.2	89.9	117.1	*54.2	*54.0	*.2	37.3
1973 2/	22.2	1,581	35.1	*62.9	*98.0				
Connecticut Valley Binder (types 51-52)									
1967	1.5	1,819	2.7	16.4	19.1	7.9	5.7	2.2	54.5
1968	1.6	1,808	2.8	11.2	14.0	5.1	4.7	.4	59.5
1969	1.6	1,434	2.3	8.9	11.2	4.2	3.9	.3	58.2
1970	1.7	1,756	2.9	7.0	9.9	2.7	2.4	.3	65.5
1971	1.6	1,743	2.8	7.2	10.0	2.6	2.5	.1	65.7
1972	1.6	1,725	2.7	7.4	10.1	*3.0	*2.9	*.1	70.2
1973 2/	1.5	1,814	2.8	*7.1	*9.9				
Southern Wisconsin Binder (type 54)									
1967	3.8	1,905	7.2	20.7	27.9	8.0	8.0	---	34.4
1968	3.7	1,990	7.4	19.9	27.3	7.7	7.7	---	36.8
1969	3.7	1,740	6.4	19.6	26.0	9.3	9.3	---	40.2
1970	4.4	2,135	9.4	16.7	26.1	7.3	7.3	---	50.3
1971	5.3	2,270	12.0	18.8	30.8	10.5	10.5	---	55.6
1972	5.0	1,700	8.5	20.3	28.8	*9.5	*9.5	---	48.0
1973 2/	4.5	1,850	8.3	*19.3	*27.6				
Northern Wisconsin Binder (type 55)									
1967	4.5	1,975	8.9	29.3	38.2	9.3	8.9	.4	34.1
1968	4.0	1,670	6.7	28.9	35.6	14.9	14.5	.4	37.9
1969	3.7	1,815	6.7	20.7	27.4	8.8	8.5	.3	43.4
1970	4.4	2,055	9.0	18.6	27.6	9.2	9.1	.1	52.0
1971	5.3	1,980	10.5	18.4	28.9	9.9	9.9	#	54.0
1972	5.8	1,750	10.2	19.0	29.2	*9.0	*9.0	#	49.0
1973 2/	5.0	1,850	9.2	*20.2	*29.4				

See footnotes at end of table.

Continued --

Table 20.--Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average prices, for 1967-73-Cont.

(Farm-sales weight)

Crop year	Acreage harvested	Yield per acre	Supply			Disappearance			Average price per pounds to growers
			Production	Beginning stocks 1/	Total supply	Total	Domestic	Exports	
	Thous. acres	Pounds	Million pounds						Cents
Total Wisconsin Binder (types 54-55)									
1967	8.3	1,943	16.1	50.0	66.1	17.3	16.9	0.4	34.2
1968	7.7	1,824	14.1	48.8	62.9	22.6	22.2	.4	37.3
1969	7.4	1,778	13.1	40.3	53.4	18.1	17.8	.3	41.8
1970	8.8	2,095	18.4	35.3	53.7	16.5	16.4	.1	51.1
1971	10.6	2,125	22.5	37.2	59.7	20.4	20.4	#	54.9
1972	10.8	1,727	18.7	39.3	58.0	*18.5	*18.5	#	48.5
1973 2/	9.5	1,850	17.5	*39.5	57.0				
Total Cigar Binder (types 51-55)									
1967	9.8	1,924	18.8	66.4	85.2	25.2	22.6	2.6	37.1
1968	9.3	1,821	16.9	60.0	76.9	27.7	26.9	.8	41.0
1969	9.0	1,706	15.4	49.2	64.6	22.3	21.7	.6	44.3
1970	10.5	2,041	21.3	42.3	63.6	19.2	18.8	.4	53.1
1971	12.2	2,075	25.3	44.4	69.7	23.0	22.9	.1	56.1
1972	12.4	1,727	21.4	46.7	68.1	*21.5	*21.4	*.1	51.3
1973 2/	11.0	1,845	20.3	*46.6	*66.9				
Connecticut Valley Shade-grown (type 61)									
1967	8.5	1,124	9.6	16.0	25.6	12.9	9.6	3.3	360.0
1968	8.4	1,215	10.2	12.7	22.9	10.8	9.1	1.7	280.0
1969	6.3	1,288	8.1	12.1	20.2	8.0	7.0	1.0	400.0
1970	6.0	1,535	9.3	12.2	21.5	7.6	6.6	1.0	400.0
1971	4.7	1,635	7.7	13.9	21.6	8.4	5.8	2.6	400.0
1972	4.0	1,250	5.1	13.2	18.5	7.6	4.8	2.8	480.0
1973 2/	5.0	1,550	7.8	10.7					
Georgia-Florida Shade-grown (type 62)									
1967	5.1	1,573	8.0	8.7	16.7	7.9	6.3	1.6	245.0
1968	5.0	1,556	7.9	8.8	16.7	9.2	7.1	2.1	270.0
1969	5.0	1,569	7.8	7.5	15.3	6.1	5.2	.9	280.0
1970	3.6	1,590	5.6	9.2	14.8	6.7	5.8	.9	270.0
1971	3.0	1,582	4.7	8.1	12.8	6.2	5.4	.8	262.0
1972	3.0	1,517	4.6	6.6	11.2	4.2	3.8	.4	280.0
1973 2/	2.6	1,424	3.7	7.0	10.7				
Total Shade-grown (types 61-62)									
1967	13.6	1,292	17.6	24.7	42.3	20.8	15.9	4.9	308.0
1968	13.4	1,343	18.1	21.5	39.6	20.0	16.2	3.8	276.0
1969	11.3	1,411	15.9	19.6	35.5	14.1	12.2	1.9	341.3
1970	9.6	1,555	14.9	21.4	36.3	14.3	12.4	1.9	351.0
1971	7.7	1,614	12.4	22.0	34.4	14.6	11.2	3.4	347.5
1972	7.0	1,365	9.7	19.8	29.5	11.8	8.6	3.2	384.5
1973 2/	7.6	1,507	11.5	17.7	29.2				
Grand Total Cigar Tobacco (types 41-62)									
1967	54.3	1,642	89.1	259.4	348.5	111.0	102.9	8.1	85.7
1968	51.7	1,610	83.3	237.5	320.8	110.2	104.7	5.5	85.9
1969	46.7	1,645	76.7	210.6	287.3	98.0	94.9	3.1	97.7
1970	41.9	1,772	74.2	189.3	263.5	87.3	84.8	2.5	102.3
1971	41.2	1,774	72.7	176.2	248.9	92.7	88.6	3.9	96.7
1972	40.2	1,447	58.3	156.4	214.7	*87.5	*84.0	*3.5	93.6
1973 2/	40.8	1,638	66.9	*127.2	*194.1				

1/ October 1 for types 41-55; July 1 for types 61-62.

2/ Subject to revision.

3/ Puerto Rican planting occurs late in calendar year.

4/ Excludes payment by Puerto Rican Government.

5/ Evaluated at 39.8 cents per pound.

Less than 50,000 pounds.

* Estimated, 1973 production based on March 1 acreage intentions and projected yields.

Cigar leaf tobacco price support operations, 1969-73

(Farm-sales weight)

Type	Placed under Government loan, crop years—				Remaining under loan, End of August			
	1969	1970	1971	1972	1970	1971	1972	1973
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*
Ohio, 42-44	(1)	0	0	0	0	0	0	0
Puerto Rican, 46	4.2	3.1	4.7	3.4	5.6	2.8	0	0
Conn. Valley, 51-51	.7	.6	.9	.6	2.2	2.4	2.1	2.3
Southern Wis., 54	(1)	0	(1)	(1)	0	0	(1)	(1)
Northern Wis., 55	0	0	0	.2	0	0	0	.1
Total	4.9	3.7	5.6	4.2	7.8	5.2	2.1	2.4

[1] Negligible.

Binder: Cigar binder acreage in the Connecticut Valley is estimated about 3 percent smaller than last year, although quotas were lifted again this year. Indicated yields are up so as of September 1, production was estimated at 2.8 million pounds, 2 percent above last year. With about the same carryover, supplies remain near last year's low.

Acreages of both Southern Wisconsin and Northern Wisconsin types are estimated below last year. Growers received lower prices than the previous year for the 1972 crop. Some growers again released their acreage allotments for use of growers who wished to increase their production. Wisconsin production was indicated at 17.6 million pounds, 6 percent below last year when the yield was the lowest in several years. Higher yields are forecast but 12 percent less acreage is reducing production. Carryover is estimated about the same as a year ago. But with the lower production total supply may be down about 2 percent.

Wrapper: The indicated acreage of Connecticut Valley wrapper is one-fourth above 1972. This is in contrast with the sharp drop since 1960. Production may rise over 2½ million pounds above last year's level. Carryover on July 1 was down from 1972. Overall, the supply of Connecticut Valley wrapper is slightly above last year's which was the lowest since 1945.

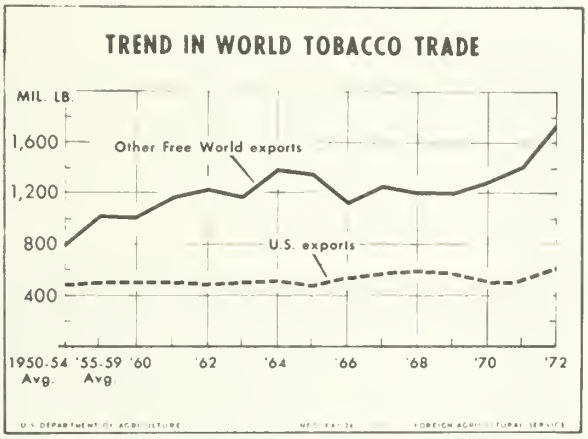
Indicated acreage of Georgia-Florida wrapper is at the lowest level since 1936. In the face of rising costs, manufacturers have adjusted supplies to a lower level of use. As of September 1, production was an indicated 0.9 million pounds below last year. Carryover in July was up half a million from a year earlier. Supply is half a million pounds below 1972/73 and the lowest since 1949.

Foreign-grown cigar leaf tobacco: U.S. imports and stocks, 1970-73

(Farm-sales weight)

Country of origin	Imports for consumption				Dealers and manufactures stocks, July 1—			
	October-September 1971-72	October-June			1970	1971	1972	1973
		1970-71	1971-72	1972-73				
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*
Philippine Republic	29.1	28.9	21.5	15.9	43.1	38.7	33.9	31.1
Dominican Republic	11.4	9.2	8.7	11.2	12.2	13.5	12.0	18.7
Brazil	3.2	4.3	3.1	13.7	10.4	9.4	8.0	10.4
Colombia	10.0	5.3	8.9	9.7	9.1	10.4	11.1	13.2
Paraguay	4.5	2.1	3.5	6.4	9.5	7.3	4.1	6.7
Mexico	6.7	2.9	5.7	4.6	4.9	5.3	6.0	4.9
Indonesia	2.5	3.0	1.8	4.8	2.3	4.7	4.3	9.0
All others	19.1	15.9	7.3	22.6	13.3	13.1	14.4	20.2
Total	86.5	71.6	62.0	88.9	104.8	102.4	93.8	114.2

World cigarette production gained last year, as population and incomes rose. Since 1965, world tobacco trade has shifted due to U.N. sanctions against Rhodesia. To fill the gap left by Rhodesia, many foreign suppliers are increasing tobacco production and actively competing for larger market shares. The largest tobacco importing market is the 9-member European Community. In this market the United States faces special competition since Commonwealth countries still retain preferential duties on their U.K. shipments. Also, certain associated countries enjoy preferential or duty-free access to the European Community on tobacco shipments.



Flue-cured Production

Harvest of foreign flue-cured tobacco in 1973 may be down from the 2.9 billion pounds in 1972. Some of this drop will be offset by the larger U.S. crop. Among foreign countries, Canada, Malawi, Zambia, Angola, and South Africa may record gains. Lower flue-cured output is expected in several major producing areas, including Rhodesia, Brazil, Philippines, Thailand, and South Korea. Also, People's Republic of China (PRC) may have harvested a reduced crop due to an unusually dry season. Additional acreage in India was more than offset by drought and harvest is off materially.

The 1973 Rhodesian crop suffered from drought and is estimated about one-fourth below last season's 146 million pound outturn. With the large stockpile from earlier years virtually gone, the quota for 1974 has been raised 40 percent to about 200 million pounds. In Canada, the flue-cured crop this year may rise nearly one-half. In Ontario, where most of the crop is grown, last year's crop suffered frost damage and the Marketing Board substantially increased this year's quota.

EC Tobacco Situation

The United Kingdom takes about one-fifth of U.S. exports of unmanufactured tobacco. Cigarette manufacturing has been affected for many years by extremely high revenue duties on tobacco. The filter-tip proportion reached 81 percent of output in 1972. As a result, U.K. tobacco use has been about static for several years, even though cigarette sales still gain. U.K. tobacco manufacturers export about one-sixth of their output. In the first 7 months of 1973 exports gained 12 percent from a year earlier (table 21).

U.K. manufacturers' use (gross clearance from bond) increased during the first half of 1973 and the U.S. share remained about unchanged at 42 percent of flue-cured clearances. But by the end of June, U.K. stocks of U.S. tobacco represented only about a year's supply, the lowest on record. With supplies from many traditional sources limited, stabilized U.S. stocks appear likely in 1973/74. Overall use may decline as Britain's largest cigarette manufacturer is reducing the tobacco content of its cigarettes.

West Germany, the second largest market for U.S. tobacco, took 69 million pounds of unmanufactured tobacco in January-March 1973, about 5 million less than a year earlier. Imports from the United States declined while Italian tobacco gained. Importers of tobacco from Italy benefit from the CAP's recently raised buyer premium.

The *Netherlands* took 23 million pounds of tobacco during the first 2 months of this year, 2 million less than the same period a year earlier. U.S. leaf was down slightly. Imports reported from South Africa and Mozambique are gaining further this year, however, these shipments may originate from other countries.

Flue-cured and Oriental tobacco exports, major foreign exporters, 1971-73

Country and type	Period	1971	1972	1973
		Mil. lb.	*Mil. lb.*	*Mil. lb.*
Flue cured				
India	Jan.-June	78	75	96
Canada ...	Jan.-April	17	19	28
Oriental				
Greece	Jan.-June	53	86	66
Turkey ...	Jan.-June	111	159	141

Compiled from: *Tobacco Intelligence.*

GATT Trade Talks Open

The new round of trade liberalization negotiations formally opened in mid-September in Tokyo. More

Table 21.—United Kingdom tobacco: Imports, stocks, clearances, and exports, 1970-73

Item	July-June			Item	July-June		
	1970-1971	1971-1972	1972-1973		1970-1971	1971-1972	1972-1973
	Million pounds	*Million pounds*	*Million pounds*		*Million pounds*	*Million pounds*	*Million pounds*
Imports, by source:				Gross clearances:			
United States	126	90	111	Full duty rate[1]	157	162	152
Commonwealth	149	123	128	Commwealth rate[2]	143	135	158
Other	47	53	49				
Total	322	266	288	Total	300	297	310
Exports:				Flue-cured:			
Manufactured products	56	54	57	United States	126	117	114
				Canada	53	58	62
				India	44	41	44
Unmanufactured	7	5	9	Zambia and Malawi	10	15	17
				Rhodesia	1	1	—
Stocks, June 30:				Other	30	30	35
Flue-cured	365	330	279				
Other	49	55	60	Total	264	262	272
Total	414	385	339	Net clearances:	224	227	236

[1] Equivalent to $12.10 per pound. [2] Equivalent to $11.92 per pound.

Compiled from official United Kingdom sources.

than 100 countries are participating in the General Agreement on Tariffs and Trade (GATT). Actual negotiating sessions will take place in Geneva and are expected to last 2 or 3 years. Full participation by the United States will depend on the outcome of trade legislation now pending in Congress. The last negotiations (Kennedy Round) were concluded in 1967. The upcoming negotiations will focus on various nontariff barriers to trade that are specifically prohibited by GATT.

Unmanufactured tobacco imports EC countries, 1971-73

Country	Period	1971	1972	1973
		Mil. lb.	*Mil. lb.*	*Mil. lb.*
West Germany	Jan.-Mar.	78	75	69
Netherlands	Jan.Feb.	20	26	23
France	Jan.-June	85	97	99
Italy	Jan.-Feb.	8	5	5
Belgium	Jan.-June	37	40	—

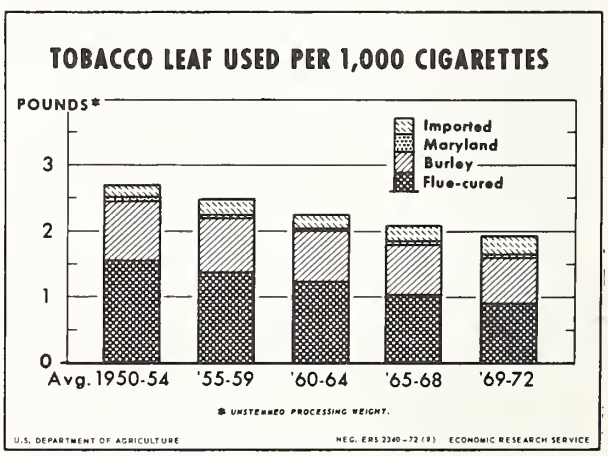
Compiled from *Tobacco Intelligence*. - - = not available.

TOBACCO USED IN CIGARETTES

1972/73 Developments

U.S. cigarette manufacturers used an estimated 1,175 million pounds of tobacco (unstemmed processing weight) in cigarettes in 1972. This was about 6 percent above the year before, as cigarette output increased. Use of both domestic and imported tobaccos increased (table 22). This year, with cigarette output again gaining, manufacturers are expected to use more tobacco.

Manufacturers used an estimated 1.96 pounds of tobacco (unstemmed weight) per 1,000 cigarettes produced in 1972. Flue-cured tobacco accounts for almost half the tobacco used in cigarettes, with burley, Maryland, and imported tobaccos accounting for the rest. Last year the burley proportion remained about the same; flue-cured and Maryland declined while imports increased.



The downtrend in leaf use per cigarette may have resumed this year. In connection with periodic "tar"

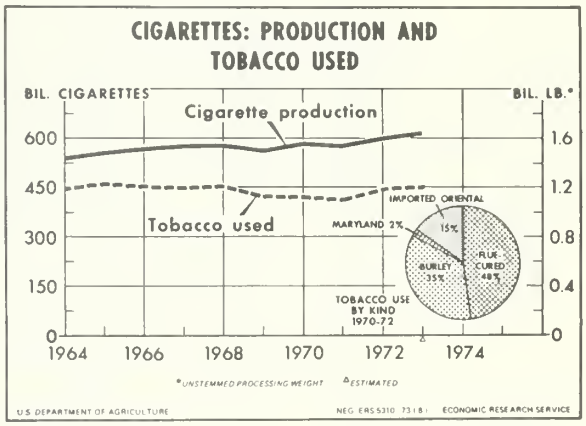
Table 22.—Tobacco EEC imports, by major suppliers, 1955-72

Year	United States	Latin America	Other EC and and Associates		India, Canada Rhodesia, Zambia, Malawi	Other	Total	U.S. share of total
			Greece and Turkey	Other EC and associated areas				
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*	*Percent*
Average								
1955-59	119	53	90	41	27	57	387	30.7
1960-64	140	89	86	55	61	109	540	25.9
1965	159	120	84	49	73	126	611	26.0
1966	172	113	101	53	55	132	626	27.5
1967	190	110	99	60	27	178	664	28.6
1968	145	95	97	65	21	170	593	24.5
1969	178	98	100	66	20	193	655	27.2
1970	142	112	104	72	15	195	640	22.2
1971	178	132	126	79	20	207	743	24.0
1972	181	133	114	93	20	215	756	23.9

and nicotine analysis, the Federal Trade Commission reports the average weight of cigarettes sampled. Considering the 27 varieties (i.e., brands and brand variations) of cigarettes that account for about five-sixths of U.S. sales, the average weight per cigarette (including paper and filter) declined about 1 percent in 1972/73, about the same decline as in 1971/72.

Within the past 12 months 3 United Kingdom firms, Courtaulds, Imperial Chemical Industries, and Shaws Smokers Products, Ltd., have each announced active development plans for tobacco substitutes. Courtaulds expects to test market its product this year. Imperial Tobacco is building a $25 million factory in Ayrshire, Scotland, to handle the ICI process. The Scottish Co-operative Society, Ltd., is now equipping a factory in Glasgow, Scotland with the Shaw process to process substitute tobacco cigarettes. U.K. government approval and clearance are still awaited.

Various synthetic-natural tobacco blends or combinations can be envisaged. Some experimental cigarettes are made completely from nontobacco sources while some consisting of 50 percent synthetic material and 50 percent natural tobacco are being test marketed. However, cigarettes consisting of 10-25 percent synthetic material seem a more distinct possibility in the future as manufacturers strive to pare their costs, extend tobacco supplies, and further reduce tar and nicotine content. Use of more foreign-grown flue-cured and burley in U.S. blends is also possible. Together, these developments may mean a further reduction in U.S. leaf tobacco being used per cigarette.



TOBACCO MARKETING SYSTEMS STUDY COMMITTEE REPORT[2]

In July the Tobacco Marketing System Study Committee reported its findings to the Secretary of Agriculture. Copies of the report were distributed to tobacco industry associations and flue-cured tobacco warehousemen. Last March the Secretary appointed the 21-member group of farmers, warehousemen, exporters, and manufacturing representatives to study and analyze the U.S. and Canadian tobacco marketing systems.

The Study Committee reported that the biggest problem of the flue-cured marketing system is cross-belt movement due to the inability of growers to sell

[2] Persons having an interest in the operation of U.S. tobacco auction marketing system may request copies from the Tobacco and Peanut Division, ASCS, Room 3741 South Building, USDA, Washington, D.C. 20250.

Table 23.--Estimated leaf used for cigarettes by kinds of tobacco, 1950-72

Year	Farm-sales weight				Unstemmed-processing weight				
	Flue-cured	Burley	Maryland	Total domestic	Flue-cured	Burley	Maryland	Imported	Total
	Million pounds								
Average:									
1950-54	736	421	23	1,180	651	373	22	73	1,119
1955-59	701	417	20	1,138	622	371	19	92	1,104
1960	731	437	16	1,184	651	389	16	116	1,172
1961	758	453	16	1,227	674	403	16	125	1,218
1962	745	462	16	1,223	663	411	16	126	1,216
1963	752	467	16	1,235	670	416	16	127	1,229
1964	725	455	15	1,195	645	405	15	121	1,186
1965	723	485	17	1,225	643	433	17	132	1,225
1966	686	487	19	1,192	613	435	19	135	1,202
1967	658	483	19	1,160	587	432	19	154	1,192
1968	652	482	18	1,152	582	430	18	171	1,201
1969	612	447	31	1,090	546	399	31	157	1,133
1970	613	448	27	1,088	548	400	27	163	1,138
1971	596	432	24	1,052	532	386	24	165	1,107
1972	619	461	16	1,096	554	412	16	193	1,175
	Per 1,000 cigarettes								
	Pounds								
Average:									
1950-54	1.776	1.016	.057	2.849	1.571	.899	.053	.177	2.700
1955-59	1.570	.936	.045	2.551	1.394	.832	.042	.205	2.473
1960	1.442	.862	.032	2.336	1.284	.767	.032	.229	2.312
1961	1.435	.857	.030	2.322	1.276	.763	.030	.237	2.306
1962	1.391	.863	.030	2.284	1.238	.768	.030	.235	2.271
1963	1.366	.848	.029	2.243	1.217	.756	.029	.231	2.232
1964	1.343	.842	.028	2.213	1.195	.750	.028	.224	2.197
1965	1.298	.871	.031	2.200	1.155	.778	.030	.237	2.200
1966	1.209	.858	.033	2.101	1.081	.767	.033	.238	2.119
1967	1.142	.838	.033	2.013	1.019	.750	.033	.267	2.069
1968	1.125	.832	.031	1.988	1.004	.742	.031	.295	2.072
1969	1.097	.802	.056	1.955	.979	.716	.055	.282	2.032
1970	1.051	.768	.046	1.865	.940	.686	.046	.279	1.951
1971	1.034	.749	.042	1.825	.923	.669	.042	.286	1.920
1972	1.032	.770	.027	1.829	.924	.688	.027	.322	1.961
	Percentage distribution								
	Percent								
Average:									
1950-54	62.4	35.6	2.0	100.0	58.2	33.2	2.0	6.6	100.0
1955-59	61.6	36.7	1.7	100.0	56.3	33.6	1.8	8.3	100.0
1960	61.7	36.9	1.4	100.0	55.5	33.2	1.4	9.9	100.0
1961	61.8	36.9	1.3	100.0	55.3	33.1	1.3	10.3	100.0
1962	60.9	37.8	1.3	100.0	54.5	33.8	1.3	10.4	100.0
1963	60.9	37.8	1.3	100.0	54.5	33.9	1.3	10.3	100.0
1964	60.7	38.0	1.3	100.0	54.4	34.1	1.3	10.2	100.0
1965	59.0	39.6	1.4	100.0	52.5	35.3	1.4	10.8	100.0
1966	57.6	40.8	1.6	100.0	51.0	36.2	1.6	11.2	100.0
1967	56.8	41.6	1.6	100.0	49.3	36.0	1.6	12.9	100.0
1968	56.6	41.8	1.6	100.0	48.5	36.0	1.5	14.2	100.0
1969	56.2	41.0	2.8	100.0	48.2	35.2	2.7	13.9	100.0
1970	56.3	41.2	2.5	100.0	48.2	35.1	2.4	14.3	100.0
1971	56.7	41.0	2.3	100.0	48.1	34.8	2.2	14.9	100.0
1972	56.5	42.0	1.5	100.0	47.1	35.1	1.4	16.4	100.0

their tobacco at local markets rapidly as they would like. The number of buyers and processing facilities in the industry is limited. The committee feels that regulation of the marketing system should be done by those using the system through the marketing and sales committees.

To reduce cross belt movement of flue-cured tobacco the committee recommended that: (1) the Industry-wide Flue-cured Tobacco Committee distribute sales opportunities to reduce the incentive for out-of-belt marketing, (2) the industry improve distribution of buyers among markets, (3) warehouses eliminate any preferential treatment given to out-of-belt growers, and (4) marketings cards be delivered to growers no more than one week prior to the local market opening.

To provide the incentive for flue-cured market operators to improve their efficiency the Committee recommended each grower have the opportunity to designate the market in his belt where he would like to sell his tobacco. Then the marketing committee would adjust sales opportunity for the market accordingly. The Flue-cured Marketing Committee postponed implementation of this recommendation until next season. Also, the Study Committee recommended no further action to implement the marketing agreement and order for flue-cured tobacco proposed by USDA in 1968.

To assure public safety and protection of the tobacco, the committee recommended certain physical standards for lighting, sanitary facilities, ingress and egress routes, and warehouse maintenance. To assure all growers an equal opportunity, no grower should be deprived of sales opportunity regardless of his quota size. Each warehouse should develop a scheduling system for grower deliveries. Then each grower could sell each week a prorated share of his crop.

Continued research on packaging tobacco for sale and mechanization of warehouse operations was urged. The Committee recommended that legislation be enacted to provide lease and transfer of farm acreage allotments and marketing quotas for all kinds of tobacco across county lines in the same State, subject to a grower's referendum on a State basis.

In their report the study committee summarized the evolution of the auction system. This included conversion of processing plants from bundle processing to "tipping and threshing" and the shift by flue-cured growers from sales of tied tobacco to untied sales.

Table 24.—Cash receipts from tobacco as percentage of cash receipts from crops and all farm commodities, by States, 1971 and 1972

State	1971			1972[1]		
	Tobacco	Tobacco as:		Tobacco	Tobacco as:	
		Percentage of crops	Percentage of all farm commodities		Percentage of crops	Percentage of all farm commodities
	Million dollars	*Percent*	*Percent*	*Million dollars*	*Percent*	*Percent*
North Carolina	562	61.3	37.4	586	57.6	35.3
Kentucky	271	68.1	29.3	331	67.2	30.5
South Carolina	101	35.1	21.8	113	32.7	20.1
Virginia	90	35.4	15.1	90	32.8	13.6
Tennessee	76	24.0	10.3	92	27.3	10.8
Georgia	92	16.6	7.3	100	15.8	7.0
Florida	27	2.6	1.8	27	2.3	1.6
Maryland	23	18.5	6.0	23	17.1	5.6
Connecticut	26	39.4	16.2	22	35.1	13.4
Pennsylvania	10	3.8	.9	9	3.5	.8
Ohio	12	1.9	.9	13	1.7	.8
Indiana	10	1.2	.6	10	1.2	.5
Massachusetts	11	14.9	7.1	9	12.4	5.6
Wisconsin	9	3.8	.6	12	4.9	.7
Missouri	5	.8	.3	3	.5	.2
West Virginia	2	7.7	1.7	2	7.3	1.7
United States[2]	1,328	6.0	2.5	1,442	5.8	2.4

[1] Subject to revision. [2] U.S. total receipts from tobacco include relatively small receipts from a few States not shown separately.

Detail may not add to total due to rounding.

Table 25.—Expenditures for tobacco products, and disposable personal income, 1963-72

Year	Total	Cigarettes	Cigars	Other[1]	Disposable personal income[2]	Percent of disposable personal income			
						All products	Spent on tobacco products		
							Cigarettes	Cigars	Other[1]
	Million dollars	*Million dollars*	*Million dollars*	*Million dollars*	*Billion dollars*	*Percent*	*Percent*	*Percent*	*Percent*
1963	8,004	7,055	649	300	405	1.98	1.74	.16	.07
1964	8,113	7,024	765	324	438	1.85	1.60	.18	.07
1965	8,651	7,609	734	308	473	1.83	1.61	.16	.06
1966	9,140	8,113	718	309	512	1.79	1.59	.14	.06
1967	9,582	8,572	706	304	546	1.76	1.57	.13	.06
1968	10,112	9,094	703	315	591	1.71	1.54	.12	.05
1969	10,444	9,404	701	339	634	1.65	1.49	.11	.05
1970	11,544	10,448	707	389	692	1.67	1.51	.10	.06
1971	12,323	11,190	704	429	746	1.65	1.50	.09	.06
1972[3]	13,211	12,063	710	438	797	1.66	1.52	.09	.05

[1] Smoking tobacco, chewing tobacco, and snuff. [2] Compiled from reports of Department of Commerce, Bureau of Economic Analysis. [3] Subject to revision.

Table 26.—Governmental revenue from tobacco products, 1964-73

Fiscal year	Federal Government				State and local Governments		All governments
	Cigarettes[1]	Cigars[2]	Manufactured tobacco[3]	Total[4]	State	Local	
	Million dollars	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*	*Million dollars*
1963-64	1,977	56	17	2,053	1,196	84	3,333
1964-65	2,070	61	17	2,149	1,284	102	3,535
1965-66	2,006	58	9	2,074	1,541	105	3,720
1966-67	2,023	56	---	2,080	1,615	116	3,811
1967-68	2,066	55	---	2,122	1,886	100	4,108
1968-69	2,082	54	---	2,138	2,056	97	4,291
1969-70	2,036	57	---	2,094	2,308	129	4,531
1970-71	2,150	55	---	2,207	2,536	140	4,883
1971-72	2,151	54	---	2,207	[5] 2,830	[5] 143	5,180
1972-73	[6] 2,175	[6] 54	---	[6] 2,229	[5] 3,010	[5] 146	5,385

[1] Includes large cigarettes. [2] Includes small cigars and revenue on cigars from Puerto Rico covered into the Treasury of Puerto Rico. [3] Federal excise tax on chewing tobacco, smoking tobacco, and snuff repealed effective January 1, 1966. [4] Includes cigarette paper and tubes, and imported cigarettes and cigars. [5] Estimated. [6] U.S. Budget for Fiscal Year 1974.

Compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Item	Unit or base period	1972		1973			Last data as percentage of a year earlier
		July	August	June	July	August	
Average price at auctions							
Flue-cured	Ct. per lb.	83.0	86.4	Closed	85.1	87.2	101
Burley	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Maryland	Ct. per lb.	C - l - o - s - e - d		77.2	Closed		---
Virginia fire-cured	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Ky.-Tenn. fire-cured	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Ky.-Tenn. dark air-cured	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Virginia sun-cured	Ct. per lb.	C - l - o - s - e - d		C - l - o - s - e - d			---
Support price 1/							
Flue-cured	Ct. per lb.	72.7		76.6			105
Burley	Ct. per lb.	74.9		78.9			105
Maryland	Ct. per lb.	No support		No support			---
Virginia fire-cured	Ct. per lb.	50.8		53.5			105
Ky.-Tenn. fire-cured	Ct. per lb.	50.8		53.5			105
Ky.-Tenn. dark air-cured	Ct. per lb.	45.2		47.6			105
Virginia sun-cured	Ct. per lb.	45.2		47.6			105
Connecticut Valley cigar binder	Ct. per lb.	51.9		54.6			105
Wis. binder and Ohio filler	Ct. per lb.	37.5		39.5			105
Puerto Rican filler	Ct. per lb.	38.9		41.0			105
Parity index 2/	1967=100	127	127	146	146	151	119
Industrial production index 3/	1967=100	115.1	116.3	125.6	126.5	126.2	109
Employment	Mil.	83.4	83.5	85.6	86.4	85.9	103
Personal income 4/	Bil. dol.	935.2	944.4	1,026.6	1,035.1	1,045.7	111
		1972		1973			
		June	July	May	June	July	
Taxable removals							
Cigarettes	Bil.	49.1	38.5	52.0	50.8		103
Cigars and cigarillos	Mil.	580.3	520.9	640.6	599.9		103
Accumulated from Jan. 1							
Cigarettes	Bil.	278.9	317.4	239.9	290.6		104
Cigars and cigarillos	Mil.	3,609.9	4,130.8	2,851.9	3,451.8		96
Invoiced to domestic customers							
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.	27.8			25.6		92
Chewing tobacco	Mil. lb.	36.4			36.4		100
Snuff	Mil. lb.	13.2			12.9		98
Tax-exempt removals							
Cigarettes	Bil.	4.6	3.2	4.0	4.2		91
Exports	Bil.	2.8	2.9	2.6	2.9	3.1	107
Cigars and cigarillos	Mil.	10.5	7.4	11.5	16.4		156
Accumulated from Jan. 1							
Cigarettes	Bil.	24.1	27.3	23.0	27.2		113
Exports	Bil.	15.8	18.6	16.6	19.5	22.6	122
Cigars and cigarillos	Mil.	78.8	84.6	60.2	76.6		97
Invoiced for export							
Accumulated from Jan. 1							
Smoking tobacco	Mil. lb.	.7			.8		114
Chewing tobacco	Mil. lb.	---			---		---
Wholesale price indexes 5/							
Cigarettes (reg. nonfilter	1967=100	121.7	121.7	126.3	126.3	126.3	104
Cigars	1967=100	109.9	109.9	111.2	112.2	112.2	102
Smoking tobacco	1967=100	119.9	119.9	124.0	124.0	124.0	103
Plug chewing tobacco	1967=100	126.4	126.4	128.2	128.8	128.8	102
Snuff	1967=100	138.6	138.6	143.7	144.2	144.2	104
Consumer price indexes (urban 6/							
Cigarettes (reg. nonfilter	1967=100	135.6	135.6	138.8	138.9	140.0	103
Cigarettes (filter tip king)	1967=100	136.1	136.1	139.2	139.6	139.3	102
Cigars (domestic reg. size	1967=100	110.9	110.9	112.7	113.0	113.5	102
Imports of tobacco							
Cigarette leaf	Mil. lb.	13.5	13.1	15.3	13.4	12.1	92
Cigar tobacco 7/	Mil. lb.	6.5	7.4	15.8	8.0	8.7	118
Accumulated from Jan. 1							
Cigarette leaf	Mil. lb.	84.7	94.9	71.0	84.4	96.5	102
Cigar tobacco 7/	Mil. lb.	65.5	53.4	55.4	62.7	70.4	132

See footnotes at end of table.

Continued -

Item	Unit or base period	1972 June	1972 July	1973 May	1973 June	1973 July	Last data as percentage of a year earlier
Exports of leaf tobacco							
(farm-sales weight)							
Flue-cured	Mil. lb.	27.6	35.2	37.5	38.1	35.7	101
Burley	Mil. lb.	3.9	4.4	8.2	9.6	7.9	180
Maryland	Mil. lb.	1.5	.5	.8	.4	1.0	200
Virginia fire- & sun-cured	Mil. lb.	.3	.2	.1	.1	.1	50
Ky.-Tenn. fire-cured	Mil. lb.	1.5	.8	1.7	1.1	.5	62
Ky.-Tenn. dark air-cured	Mil. lb.	.1	*	0	*	.1	---
Black Fat	Mil. lb.	.3	.5	.3	.3	.2	40
Cigar wrapper	Mil. lb.	.1	.1	.3	.3	.2	200
Connecticut binder	Mil. lb.	*	*	*	*	*	---
Wisconsin binder	Mil. lb.	0	0	0	*	*	---
Accumulated from beginning of marketing year 8/							
Flue-cured	Mil. lb.	480.0		480.7	518.8		108
Burley	Mil. lb.	39.9	44.3	43.4	52.9	60.9	137
Maryland	Mil. lb.	6.1	6.6	7.8	8.2	9.2	139
Virginia fire- & sun-cured	Mil. lb.	2.3	2.6	3.6	3.6	3.7	142
Ky.-Tenn. fire-cured	Mil. lb.	13.6	14.5	15.3	16.4	16.9	117
Ky.-Tenn. dark air-cured	Mil. lb.	.4	.4	.5	.5	.6	150
Black Fat	Mil. lb.	2.1	2.6	2.1	2.4	2.6	100
Cigar wrapper	Mil. lb.	3.4		2.9	3.2		94
Connecticut binder	Mil. lb.	.1	.1	.1	.1	.1	100
Wisconsin binder	Mil. lb.	*	*	0	*	*	---
Cigar filler	Mil. lb.	.3	.4	.2	.2	.2	50
Exports of manufactured tobacco in bulk	Mil. lb.	4.1	3.3	1.3	1.2	3.6	109
Accumulated from Jan. 1	Mil. lb.	16.8	20.1	8.0	9.2	12.9	64

Item	Unit or base period	Quarterly data 1972 Apr.-June	1972 July-Sept.	1973 Apr.-June	1973 July-Sept.	Last data as percentage of a year earlier
Stocks of tobacco--1st of quarter 9/						
Domestic types						
(farm-sales weight)						
Flue-cured	Mil. lb.	2,158	1,910	2,037	1,749	92
Burley	Mil. lb.	1,534	1,390	1,530	1,384	100
Maryland	Mil. lb.	40	61	43	60	98
Fire-cured	Mil. lb.	83	73	83	74	101
Dark air- and sun-cured	Mil. lb.	58	54	57	52	96
Cigar filler	Mil. lb.	110	102	83	76	75
Cigar binder	Mil. lb.	57	52	56	52	100
Cigar wrapper	Mil. lb.	22	20	20	18	90
Under Government loan 10/	Mil. lb.	1,009	972	749	708	73
Tobacco sheet 11/						
Cigarette types	Mil. lb.	27.6	27.6	24.7	23.5	85
Cigar types	Mil. lb.	1.8	2.3	1.8	1.9	83
Foreign types (farm-sales weight)						
Cigarette and smoking	Mil. lb.	377	423	432	454	107
Cigar	Mil. lb.	87	94	114	114	121
Tobacco outlets 12/						
Seasonally adjusted data, annual rates, for charts, p.2						
Cigarettes						
Production	Bil.	589.2	578.0	632.0	590.0	102
Taxable removals	Bil.	550.0	530.8	578.8	545.0	103
Cigar production	Bil.	7.35	7.34	7.02	6.98	95
Smoking production	Mil. lb.	56.9	55.9	52.6	53.7	96
Chewing production						
Loose leaf	Mil. lb.	44.8	44.6	46.0	45.8	103
Plug and other	Mil. lb.	28.5	27.0	25.8	25.2	93
Snuff production	Mil. lb.	25.1	24.8	24.8	24.6	99
Exports of leaf						
Total	Mil. lb.	465.7	548.3	656.4	575.0	105
Flue-cured	Mil. lb.	344.5	465.1	489.7	490.0	105

1/1972 and 1973 crops respectively. 2/Prices paid by farmers including interest, taxes and wage rates. 3/Seasonally adjusted. 4/Seasonally adjusted, annual rate. 5/Excise tax excluded. 6/Federal and applicable State and local taxes included. 7/Farm-sales weight equivalent. 8/July 1 for flue-cured and cigar wrapper and October 1 for others. 9/Holdings of manufacturers and dealers including grower cooperatives. 10/Reported by grower cooperatives. 11/Weight of tobacco leaf not including stems added. 12/Data for most recent quarter are preliminary estimates. *Less than 50,000 pounds.

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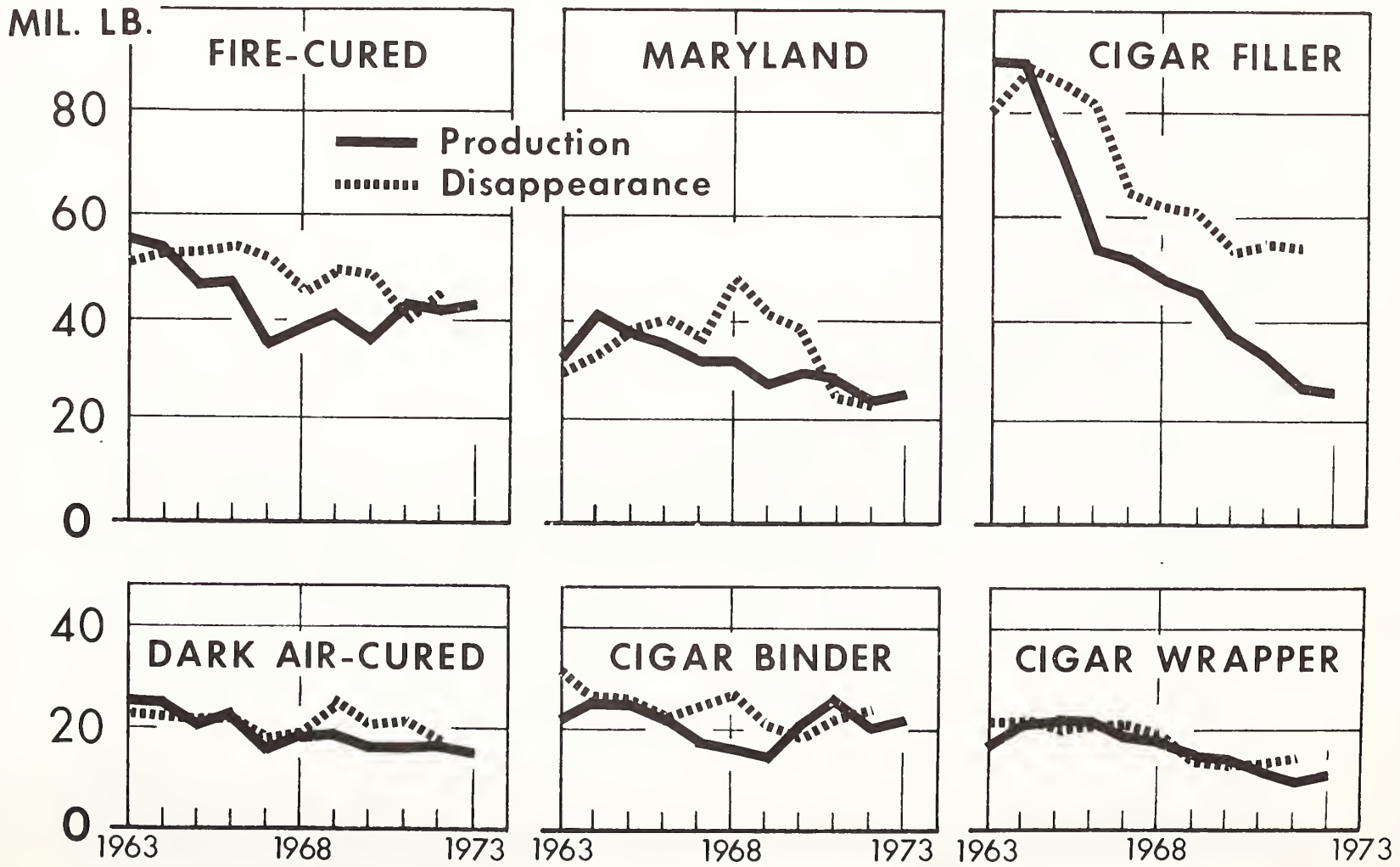
PRODUCTION AND USE, U.S. TOBACCO



DATA FORECAST FOR LATEST YEAR.

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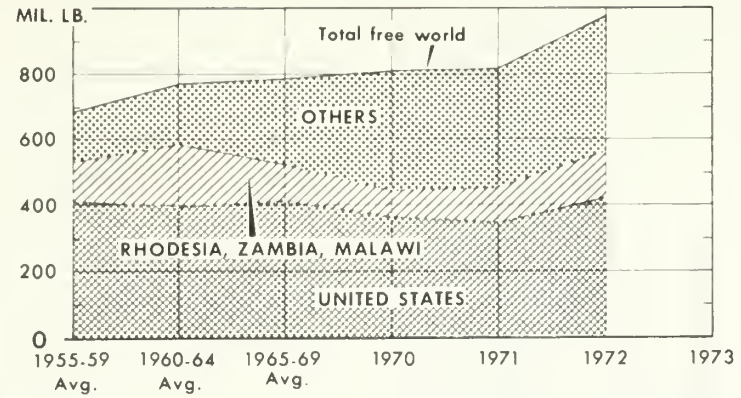
FREE WORLD EXPORTS OF FLUE-CURED TOBACCO



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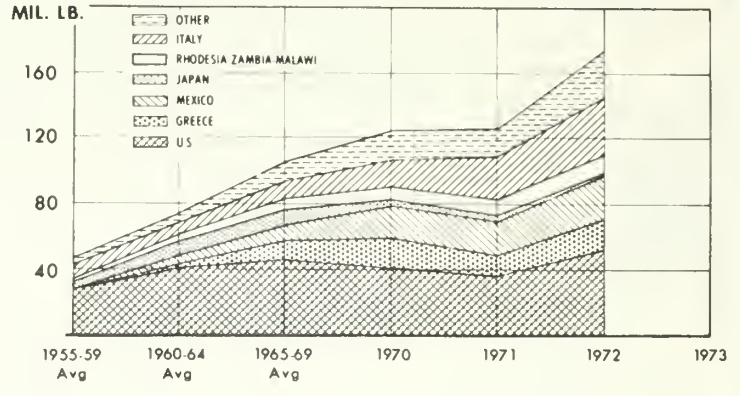
BURLEY TOBACCO: ESTIMATED FREE WORLD EXPORTS, DECLARED WEIGHT



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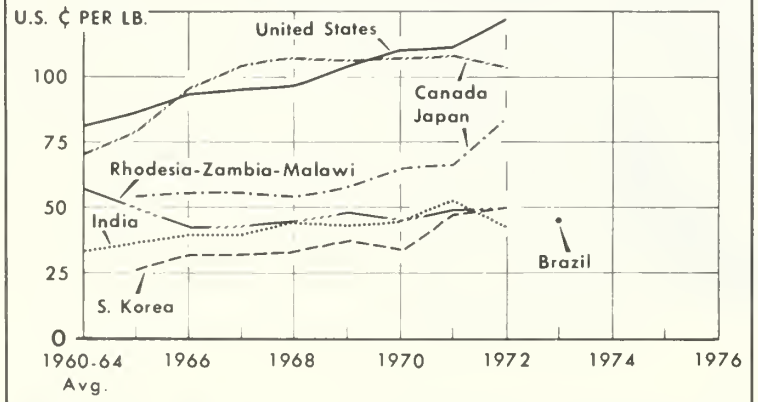
FLUE-CURED TOBACCO: AVERAGE EXPORT PRICES, BY MAJOR PRODUCERS



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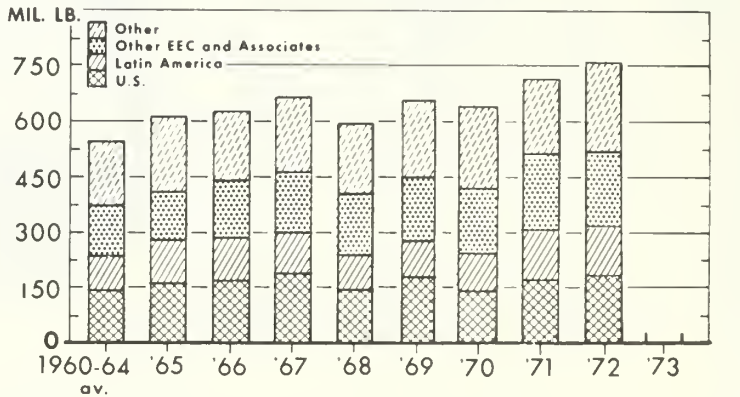
EEC TOBACCO IMPORTS, BY MAJOR SUPPLIERS



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OUTLOOK CONFERENCE SCHEDULED FOR FEBRUARY 19-21, 1974

February 19 through 21 are the dates set for the 1974 National Outlook Conference at the U.S. Department of Agriculture in Washington, D.C.

The conference will feature presentations and panel discussions. Particular attention will be given to the outlook for agriculture and the general economy in 1974. Sessions on the 1974 outlook for major commodities, foreign trade, and rural family living will make up an important part of the conference as usual. USDA's Economic Research Service and Extension Service sponsor the conference. The schedule for individual sessions will be announced later. As in the past, a session will be devoted to tobacco.